One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5275 • Fax 972-371-5201 ifilbert@matadorresources.com

Jonathan Filbert Senior Staff Landman

March 23, 2015

### VIA CERTIFIED RETURN RECEIPT MAIL

Mark A. Trieb 1717 ARTS PLZ STE 2001 DALLAS, TX 75201

Re:

Matador Production Company - Cimarron State 16-19S-34E RN #133H

Participation Proposal

Section 16, Township 19-South, Range 34-East

Lea County, New Mexico

Mark A. Trieb:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Cimarron State 16-19S-34E RN #133H Well, located in Section 16, Township 19-South, Range 34-East, Lea County, New Mexico, to the Bone Spring formation.

MRC is requesting that you indicate below your election of whether to participate in the drilling and completion of this proposed well as set out herein. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned.

- 1. The estimated cost of drilling, testing, completing, and equipping the subject well is \$6,800,827 as itemized on the enclosed Authority for Expenditure ("AFE") dated March 5, 2015.
- 2. The proposed surface location of the subject well is approximately 250' FNL and 1015' FEL of Section 16, Township 19-South, Range 34-East, Lea County, New Mexico. The proposed bottomhole location of the subject well is 240' FSL and 1506' FEL; see the enclosed plat for more detail.
- 3. In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Third Bone Spring (~10,700' TVD) to a Total Measured Depth of



approximately 15,000' resulting in a productive lateral of approximately 4,300' that will require 11 frac stages to be completed.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well.

if you have any questions feet free to email or call me at the address above or email.
Sincerely,
MRC PERMIAN COMPANY
Jonathan Filbert
Enclosure(s)
Please elect one of the following and return to sender:
Mark A. Trieb hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Cimarron State 16-19S-34E RN #133H Well, located in Lea County, New Mexico.
Mark A. Trieb hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Cimarron State 16-19S-34E RN #133H Well, located in Lea County, New Mexico.
Mark A. Trieb
By:
Title:
Date:

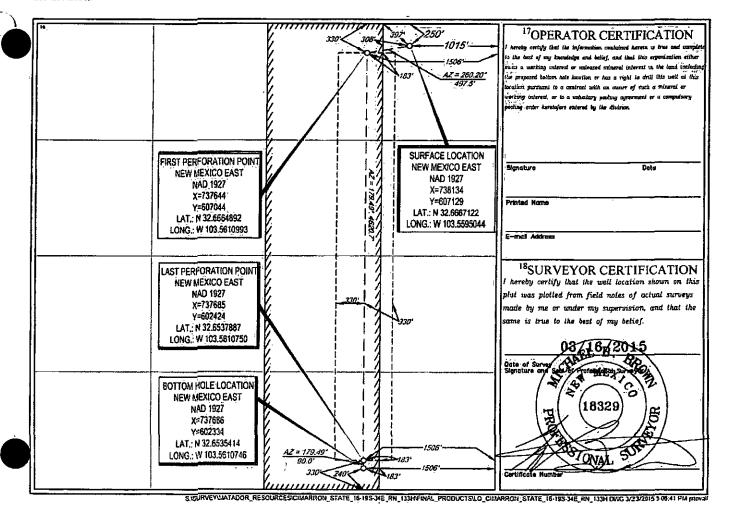
District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 311 S. First St., Artesia, NM 88210 Thone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Bratzos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Sante Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Sante Fe, NM 87505

FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

	API Number			<sup>2</sup> Pool Code		EAGE DEDICA	<sup>3</sup> Pool Nam			
Property Code CIM					*Well Number RRON STATE 16-19S-34E RN #133H					
'OGRID	No.			<b>LATADOR</b>	ADOR PRODUCTION COMPANY			_	'Elevation 3825'	
					<sup>10</sup> Surface Loc	ation				
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County	
A	16	19-S	34-E		250'	NORTH	1015'	EAST	LEA	
UL er lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
0	16	19~S	34-E	-	240'	SOUTH	1506'	EAST	LEA	
Dedicated Acres	<sup>13</sup> Joint or 1	nfill <sup>14</sup> Co	asolidation Code	Order !	ia.		·····			



### MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE - 5400 LBJ FREEWAY - SUITE 1800 - DALLAS, TEXAS 75240 Phone (972) 371-5200 - Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE DATE: March 5, 2015 . AFE NO.; 300025-005-001 Cimarron State 16-19-34 RN #133H WELL NAME FIELD: Bone Spring LOCATION: MOZIVO 15.000/10,700 COUNTY/STATE: Lea LATERAL LENGTH 4,300 MRC W: 50,00% DRILLING DAYS: 30 GEOLOGIC TARGET: 3rd BS COMPLETION DAYS: 12 REMARKS: Drill a horizontal wall and complete with 11 stages, BS Gen 2 frac design TOTAL PRODUCTION INTANGIBLE COSTS COSTS COSTS COSTS COSTS 01 Land / Legal / Regulatory 36,700 137,500. 126,500 4.000 02 Location, Surveys & Damages 258,000 10 Drilling 16 Cementing & Float Equip 000 160 215,000 215,000 20 Logging / Formation Evaluation 21 Mud Logging 23 Mud Circulation System 6,500 6.500 14,500 38,780 38,700 38,000 60,000 145,000 24 Mud & Chamicale 95,000 25 Mud / Wastewater Disposal 145,000 26 Freight / Transportation 28 Rig Supervision / Engineering 11500 35 000 49 ANA 18,000 56,250 18.000. 105,000 196,000 -31 Ddf Bits 105,000 32 Fuel & Power 196,000 12,600 338 000 33 Water 350,500 34 Drig & Completion Overhead 16,500 17,000 13 500 36 Plugging & Abandonment 192.000 38 Directional Orilling, Surveys 192.000 40 Completion Unit, Swab, CTU 44 Perforating, Wireline, Slickline 110,000 28 003 20,000 \_78,000 45 High Pressure Pump Truck 46 Stimulation 48.000 48,000 47 Stimulation Flowback & Disp 45,500 45,500 26,100 26,100 6,000 50 Labor 188,500 163,000 09,100 -12,500 225,250 43,000 51 Rental - Surface Equipment 12,000 326 350 52 Rental - Downhole Equipment 241,621 10,000 9,800 53 Rental - Living Quarters - 75,720 118 830 54 Contingency 217,095 468,517 5,698,427. TOTAL INTANGIBLES> 2,930,786 2,657,831. 107,800 DRILLING COMPLETION PRODUCTION TOTAL TANGIBLE COSTS COSTS COSTS COSTS 41 Surface Gasing 74,150 74:160 66,800 166,800 49 Dritting Lines 44 Production Casing 355,950 355,950 45 Production Lines 46 Tubing 47 Walihead 55 000 55,000 50,000 60,000 12,000 41,000 48 Packers, Liner Hangers 53,000 49 Tanks 80 Production Vessels 74,000 74,000 51 Flow Lines 50,000 60,000 53 Artificial Lift Equipment 54 Compresso 82,000 82,000 55 Installation Costs 56 Surface Pumpe 58 Non-controllable Surface 59 Non-controllable Downhole 58,000 66,000 61 Downhole Pumps 12,500 2,500 63 Measurement & Meter Installation 64 Gas Conditioning / Dehydration 65 Interconnecting Facility Piping 66 Gathering / Eulk Lines 67 Valves, Dumos, Controllers 68 Tank / Facility Containment 69 Flare Stack 70 Electrical / Grounding 71 Communications / SCADA 72 instrumentation / Safety TOTAL TANGIBLES 846,800 415,500 1,104,400 41,000 TOTAL COSTS > 3,577,696 2,698,831 6,800,827 524,300 PREPARED BY MATADOR PRODUCTION COMPANY Team Lead - WTXINM Dritting Engineer, Amon Byid Completions Engineer: Production Engineer: Casey McCar MATADOR RESOURCES COMPANY APPROVAL: Executive VP, COO/CFO VP - Res Engineering VP - Orilling Executive VP, Legal Exec Oir - Excloration VP - Procuction VP & General Manager NON OPERATING PARTNER APPROVAL: Company Name Working interest (%) Tax ID: Approval

arum laking mahasar asaman iyaardi. Paray arasiyayan a qua ataray abaga dan qoqqaan inimicasiya abib ini balagad qaqqqa Adalasiya abib istic iqaamii suunay ka aa B<mark>abagaad ababa saasad k</mark>a qaa suunaanaasay ka Barqaaysii asada ahiyama abaga suusa

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5275 • Fax 972-371-5201 ifilbert@matadorresources.com

Jonathan Filbert Senior Staff Landman

March 23, 2015

### VIA CERTIFIED RETURN RECEIPT MAIL

Amtex Energy, Inc. P.O. Box 3418 Midland, TX 79702

Re:

Matador Production Company - Cimarron State 16-19S-34E RN #133H

Participation Proposal

Section 16, Township 19-South, Range 34-East

Lea County, New Mexico

Amtex Energy, Inc.:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Cimarron State 16-19S-34E RN #133H Well, located in Section 16, Township 19-South, Range 34-East, Lea County, New Mexico, to the Bone Spring formation.

MRC is requesting that you indicate below your election of whether to participate in the drilling and completion of this proposed well as set out herein. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned.

- 1. The estimated cost of drilling, testing, completing, and equipping the subject well is \$6,800,827 as itemized on the enclosed Authority for Expenditure ("AFE") dated March 5, 2015.
- 2. The proposed surface location of the subject well is approximately 250' FNL and 1015' FEL of Section 16, Township 19-South, Range 34-East, Lea County, New Mexico. The proposed bottomhole location of the subject well is 240' FSL and 1506' FEL; see the enclosed plat for more detail.
- 3. In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Third Bone Spring (~10,700' TVD) to a Total Measured Depth of

approximately 15,000' resulting in a productive lateral of approximately 4,300' that will require 11 frac stages to be completed.

4. Amtex Energy, Inc. will own an approximate 50% working interest in the proposed well, subject to title verification.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well, Amtex Energy, Inc. shall be responsible for 50% of all costs incurred.

If you have any questions feel free to email or call me at the address above or email.
Sincerely,
MRC PERMIAN COMPANY  Jonathan Filbert
Enclosure(s)
Please elect one of the following and return to sender:
Amtex Energy, Inc. hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Cimarron State 16-19S-34E RN #133H Well, located in Lea County, New Mexico.
Amtex Energy, Inc. hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Cimarron State 16-19S-34E RN #133H Well located in Lea County, New Mexico.
Amtex Energy, Inc.
By:
Title:
Date:

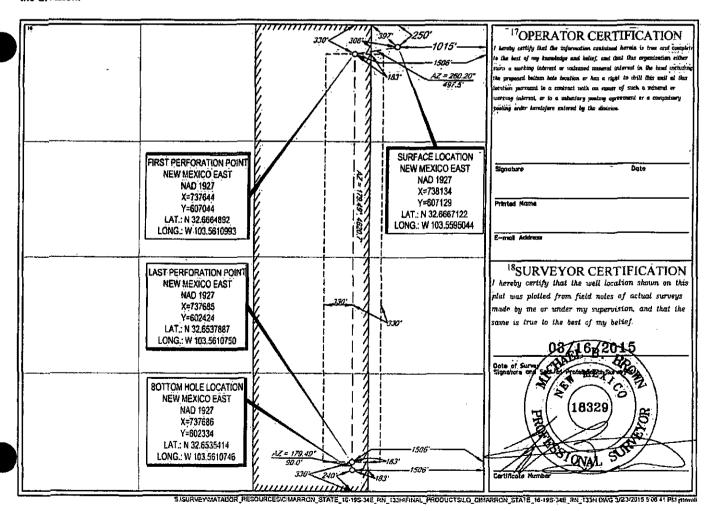
District I
1625 N, French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fex: (575) 393-0720
District II
811 S, Frist St., Artesia, NM 88210
Phone: (575) 748-1283 Fex: (575) 748-9720
District III
1000 Rio Brazos Road, Azzec, NM 87410
Phone: (505) 334-6178 Fex: (505) 334-6170
District IV
1220 S, St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fex: (505) 476-3462

# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Sante Fe, NM 87505

FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

Ш	AMENDED	REPORT
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	API Number		1	Pool Code	" I'm	EAGE DEDICA	Pool Nam				
	242 E (11000)	•		1 ma Cour			LOGÍ 14919	•			
<sup>1</sup> Property (	Property Code					<sup>5</sup> Property Name			Well Number		
			CI	MARRON	STATE 1	8-19S-34E	RN	#	133 <u>H</u>		
- OGRID No.					Operator Na		Elevation				
				ATADOR	R PRODUCTION COMPANY			3825			
					10 Surface Loc	ation		-			
L or let no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	Совя		
<u>A</u>	16	19-S	34-E		250'	NORTH	1015'	EAST	LEA		
L or iot so.	Section	Township	Range	Lot iun	Feet from the	North/South line	Feet from the	Enst/West line	Coun		
0	16	19-S	34-E	-	240'	SOUTH	1506'	EAST	LEA		
Dedicated Acres	Joint or I	nfill [4Co	nselidation Code	<sup>15</sup> Order (	Na.	<del></del>		<u>-</u>	· · ·		



MATADOR PRODUCTION COMPANY
ONE LINCOLN CENTRE - 540D LBJ FREEWAY - SUITE 1500 - DALLAS, TEXAS 7624D
Phone (972) 371-5200 - FBX (972) 371-5201
ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITIBLE

DATE:	March 5, 2015			AFE NO.:	300025-005-001
WELL NAME:	Cimarron State 16-19	24 00 #1221	ł		
	Canalion State 16-19	-34 KM #133H	į	FIELD:	Bone Spring
LOCATION:		· · · · · · · · · · · · · · · · · · ·	ļ.	Menve:	15,000/10,700
COUNTY/STATE:	Lea			LATERAL LENGTH:	4,300
MRC WI:	50,00%			•	
				DRILLING DAYS:	<u> </u>
GEOLOGIC TARGET;	3rd BS	·		COMPLETION DAYS:	12
REMARKS:	Drill a horizontal well a	and complete with 11 st	iges, BS Gen 2 frac	design	
			=		
<del></del>		DRILLING	COMPLETION	PRODUCTION	TOTAL
(NTANGIBLE C	OSTS	COSTS	COSTS	COSTS	COSTE
11 Land / Legal / Regulatory					
		\$ 36,700	- 15	_	5 38,700
32 Location, Surveys & Dan	ages.	128,500	137,50		- 258,000
10 Drilling		1,034,000			1,034,000
t <b>&amp;</b> Comenting & Float Equip		215,000			215,000
20 Logging / Formation Eval	uation		6.50	<del>10</del>	6,500
21 Mort Logging		14,500	1		14,500
23 Mud Circulation System		38,780	·		38,780
24 Mud & Chemicals		60,000	36.00		
	1				96,000
26 Mud / Wastewater Dispos	, <b>=</b> 1	- 145,000	·:		145,000
26 Freight / Transportation		36,000	······· ± 13,50		49,500
te Rig Supervision / Engine	aring	118,600	\$5,25	18,000	193,050
M Driit Bills		105,000	1		105,000
32 Fusi & Power		196,000	21,-41,-3	<del>-</del>	196,000
33 Water		12,500	338,00		360,500
14 Drig & Completion Overh	ead	18,500			33,500
36 Plugging & Abandonman		10,300	17.00	<del></del>	33,300
		463.000		<del>-</del>	
38 Directional Odlling, Survi		192,000	, man ; ; ; +1 ;		192,000
60 Completion Unit, Swab, C			110,00		138,000
4 Perforating, Wireline, Stic			79,00		99,000
is High Pressure Pump Tru	<b>.</b> *			<u> </u>	48,000
l6 Stimulation		-	1,210,00		1,210,000
17 Stimulation Flowback & E	Jiep	<del></del>	45,50		45,500
le insurance		26,100		<del></del>	28,100
i0 Labor		163,000	19,50	B,000	186,500
il Rantal - Surface Equipme	mt	89,100	225,25		326,350
i2 Rental - Downhole Equip		12,500			
	114(1)		43,00		55,500
3 Rental - Living Quarters		75,720	31.21		:115,830
M Contingency		217,096	241,62	9,800	468,517
	TOTAL INTANGIBLES	> 2,930,798	2,657/8	11107,600	5,696,427
		DRILLING	COMPLETION		TOTAL:
TANGIBLE CO	1919	- COSTS	COSTS	COSTS	COSTS
II Surface Casing :		\$ 2" -: 74,150 ::: =	- \$ :		\$
12 Intermediate Casing		166,800	T	- '	166,800
13 Drilling Liner			<del></del>		
		255 05p			
4 Production Casing		355,950			355,950
IS Production Lines					<u>-</u>
18 Tubing				55,000	55,000
7 Wellhead		50,000	1	60,000	110,000
18 Packers, Liner Hangers			41,00		53,000
I9 Tanks		<del></del>			
Production Vessels		<del></del>	· <del> !-</del>	74,00G	74,000
it Flore Lines		<del></del>			14,000
			· <u></u>	<u> </u>	<del></del>
2 Rod string		<u>:</u>			
3 Artificial Lift Equipment		<u> </u>		50,000	50,000
4 Campressar					<u> </u>
i6 installation Costs					82,000
is Surface Pumps			1	5,000	5,000
8 Non-controlleble Surface				66,000	66,000
9 Non-controllable Downho	io	<del></del>	<u> </u>	- <del> </del>	
1 Downhole Pumps		<del></del>			<u> </u>
3 Measurement & Moter ins	tellation				
		<del></del>		12,500	12,500
4 Gas Canditioning / Dehyd			<u> </u>	<u> </u>	
6 Interconnecting Facility P	hud				
6 Gathering / Bulk Lines					-
7 Vzives, Dumps, Controlle		- <del></del>	-		<del></del>
B Tank / Facility Containme	at			·	
9 Flant Steck				<del></del>	<del></del>
Clearing   Grounding			- 1	<del></del>	
1 Communications / SCADA	i			<del>-</del>	<del></del>
2 instrumentation / Safety				<u> </u>	<del>_</del> _
	TOTAL TANGIBLES	> 845,900	'41:00	<u> </u>	
					1,104,400
	TOTAL COSTS	> J,577,698	2,688,83	1 524,100	5,800,827
PARED BY MATADOR PA	OCUCTION COMPAN	V:	· · · · · · · · · · · · · · · · · · ·		
			<del></del>		<del></del>
Drilling Engineer:	Aaron Byrd	Team Lead - WTX/	NM - /CI/	5	
	Chris Calvest	·		<del>-</del>	
Completions Engineer.			CWB		
Production Engineer:	Casey McCann				
	<del></del>	· · · · · · · · ·	<del></del>	<del></del>	
. No. 122 194 194 194	PANY APPROVAL:				· · · <u>-</u>
ADOR RESOURCES COM		VD			
· · · · · · -		VP - Res Engineer		VP-1	Orilling
ADOR RESOURCES CON Executive VP, COO/CFO		-	- IDVR		BG
· · · · · · -	DEL	-		UD David	urtion
· · · · · · -	DEL	Exec Dir - Explorat	tion (	UP . DATE	
Executive VP, COO/CFO	DEL.	Exec Dir - Explorat		- VP - P(OC	
Executive VP, COO/CFO			OF14	→ VP - P(00	WFM
Executive VP, COO/CFO	GA	Exec Dir - Explorat	GF3t	→ VP - P(OL	
Executive VP, COO/CFO			OF14	- VP - Proc	
Executive VP, COOICFO Executive VP, Legal President	CA MVH		GF3t	VP - Proc	
Executive VP, COO/CFO Executive VP, Legal President OPERATING PARTNER	CA MVH		ger_ RCL		WFM
Executive VP, COOICFO Executive VP, Legal President	CA MVH		GF3t		
Executive VP, COO/CFO Executive VP, Legal President  OPERATING PARTNER  Company Name:	CA MVH		gerRGL	· · · · · · · · · · · · · · · · · · ·	WFM
Executive VP, COO/CFO Executive VP, Legal President OPERATING PARTNER	CA MVH		ger_ RCL	· · · · · · · · · · · · · · · · · · ·	WFM
Executive VP, COO/CFO Executive VP, Legal President  OPERATING PARTNER, Company Name: Signed by	CA MVH		Working Interest 1%	i:	WFM
Executive VP, COONCFO  Executive VP, Legal  President  OPERATING PARTNER  Company Name:	CA MVH		gerRGL	i:	WFM



One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5275 • Fax 972-371-5201 ifflbert@matadorresources.com

Jonathan Filbert Senior Staff Landman

March 23, 2015

### VIA CERTIFIED RETURN RECEIPT MAIL

Stewart Royalty, Inc. P.O. Box 50690 Midland, TX 79710

Re: Matador Production Company - Cimarron State 16-19S-34E RN #133H

Participation Proposal

Section 16, Township 19-South, Range 34-East

Lea County, New Mexico

Stewart Royalty, Inc..:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Cimarron State 16-19S-34E RN #133H Well, located in Section 16, Township 19-South, Range 34-East, Lea County, New Mexico, to the Bone Spring formation.

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approximately 15,000' resulting in a productive lateral of approximately 4,300' that will require 11 frac stages to be completed.

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if you have any questions feel free to email of call me at the address above of email.
Sincerely,
MRC PERMIAN COMPANY
Jonathan Filbert
Enclosure(s)
Please elect one of the following and return to sender:
Stewart Royalty, Inc. hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Cimarron State 16-19S-34E RN #133H Well, located in Lea County, New Mexico.
Stewart Royalty, Inc. hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Cimarron State 16-19S-34E RN #133H Well located in Lea County, New Mexico.
Stewart Royalty, Inc.
By:
Title:
Date:

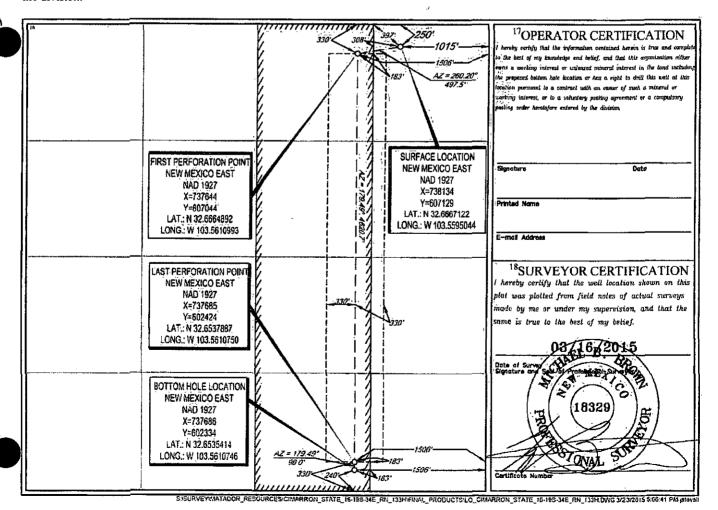
District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 311 S, First St; Artesin, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St Francis Dr., Sante Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Sante Fe, NM 87505

FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

		V	<b>VELL LO</b>	<b>CATION</b>	AND ACRE	EAGE DEDICA	ATION PLAT	ı.		
	'API Number			<sup>2</sup> Pool Code		<sup>3</sup> Pool Name				
<sup>4</sup> Property (	Code		CI	Property Name CIMARRON STATE 16-19S-34E RN					Well Number #133H	
OGRID (	No.	<u> </u>			Operator Na PRODUCT		Elevation 3825			
					<sup>10</sup> Surface Loc	cation				
UL or let no.	Section 16	Township 19-S	34-E	Lot Idn	Feet from the 250'	North/South line NORTH	Feet from the 1015'	East/West line EAST	County LEA	
UL or lot no.	Section 16	Township 19-S	Range 34-E	Lot Idn	Feet from the 240'	North/South line SOUTH	Feet from the	East/West line EAST	County LEA	
<sup>12</sup> Dedicated Acres	13 Joint of	nfill <sup>14</sup> Ce	ozsolidation Code	: <sup>15</sup> Order l	No.	<u></u> -		<u></u>		



MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE - 5400 LBJ FREEWAY - SUITE 1871 - DALLAS, TEXAS 76240

Phone (972) 371-5200 - Fax (972) 371-5201

ESTIMATE IS COSTS AND AUTUMPNIA TON CONSTRUCTION

			IORIZATION FOR EXPENDI	121/6	
DATE:	March 5, 2015			AFE NO.: ,	300025-005-001_
WELL NAME:	Cimarron State 16-19-	34 PN #133H		_	Bone Spring
LOCATION:					
	1 - 4 - 4 - 4 - 4 - 4 - 4 - 4 - 4 - 4 -		1		15,000/10,700
COUNTY/STATE:	Lea '			LATERAL LENGTH:	4,300
MRC WI:	50.00%			DRILLING DAYS:	30
GEOLOGIC TARGET:	3rd BS			COMPLETION DAYS:	12
REMARKS:	Orli a horizontal wall a	ind complete with 11 sta	iges: BS Gen 2 frac desig	<u></u>	
		· · · · · · · · · · · · · · · · · · ·			
		DRILLING -	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
01: Land / Legal / Regulator	y -	\$ 35,700	-\$		- 5 : 36,700 .
02 Location, Surveys & Dan		125,500	137,600	4,000	269,000
10 Drilling		1,034,000		<del></del>	1,034,000
16 Comenting & Float Equip	9	215,000			.216,000
20 Logging / Formation Eve	liuation	-	6,500		6,500
21 Mud Logging		14,500			14,500
23 Mud Circulation System		38,780			- 39,780
24 Mud & Chemicals		60,000	38,000		98,000
25 Mud / Wastewater Dispo		145,000	1		145,000
28 Freight / Transportation		36,000	13,500		49,500
28 Rig Supervision / Engine	seuuð	118,800	56,250	18,000	193,050
31 Drill Bits		- 105,000 198,000	<del></del>		105,000
32 Fuel & Power 33 Water		12,500	338,000		196,000
34 Drig & Completion Over	hond		17,000		33,500
36 Plugging & Abandonmer			17,000	<del></del>	
38 Directional Drilling, Surv		192,000	- <del>- 1</del>	,	192,000
40 Completion Unit, Swab,			110,000	28,000	138,000
44 Perforating, Wireline, Sil		<del></del>	78,000	20,000	99,000
45 High Pressure Pump Tru			. 48,000		48,000
46 Stimulation			1,210,000		1,210,000
47 Stimulation Flowback &	Disp		~ 45,500	****	45,500
46 Insurance		26,100			29,100
60 Labor		163,000	. 19,500	:6,000	188,500
51 Rental - Surface Equipm		89,100	225,250	12,000	326,350
52 Rental - Downhole Equip		12,500	43,000		55,500
53 Rental - Living Quarters		75,720	31,210	10,000	,116,830
54 Contingency		217,096	241,621	9,500	458,517
	TOTAL INTANGIBLES		2,657/831	107,500	6,698,427
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE C	OSTS.	COSTS	COSTS [	СОЗТВ	COSTS
41 Surface Casing		\$ 74,150.	*	.2.	\$ 74,150
42 Intermediate Casing 43 Orliling Liner		166,800			166,800
44 Production Casing		355,950			355,950
45 Production Lines		100,000	<del></del>		333,330
46 Tubing		<del></del>			65,000
47 Walihand		50,000		50,000	110,000
48 Packers, Liner Hangers			41,000	12,000	53,000
49 Tanks		<del></del>	<del> </del>	<del></del>	•:
50 Production Vessels		<del></del>		74,000	74,000
51 Flow Lines			"TI	Charle in this in	AND THE RESERVE
52 Rod etring		•	<del></del>		
53 Artificial Lift Equipment			:	50,000	60,000
54 Compressor					
ទីទី Installation Costs				82,000	82,000
56 Surface Pumpa		<del> </del>		5,000	5,000
58 Non-controllable Surface		<u> </u>		65,000	66,000
59 Non-controllable Downh	ole ·		<del></del>		-1.
61 Downhole Pumps 63 Mezaurement & Meler in:					
			<del></del> '-	<u></u>	12 500 -
		-		12,500	12,500
	dration				12,500
66 Interconnecting Facility I	dration	-		12,500	12,500
66 Interconnecting Facility i 68 Gathering / Bulk Lines	dration Piping		7	12,500	12,500
65 Interconnecting Facility I 68 Gathering / Bulk Lines 67 Valves, Dumps, Controlle	dration Piping ers	-	7 2 3 3	12,500	12,500
65 Interconnecting Facility I 68 Gathering / Bulk Lines 67 Valves, Dumps, Controlls 68 Tank / Facility Containme	dration Piping ers		7 2 3 3	12,500	12,500
65 Interconnecting Facility I 66 Gethering / Bulk Lines 67 Valves, Dumps, Controlle 68 Tank / Facility Containme 88 Fiers Stack 70 Erectrical / Grounding	dration Ploing ers ent		7 2 3 3	12,500	12,500
65 Interconnecting Facility I 96 Gathering / Bulk Lines 67 Valves, Dumps, Controlle 88 Tank / Facility Containme 89 Flare Stack 70 Electrical / Grounding 71 Communications / SCAD	dration Ploing ers ent		7 2 3 3	12,500	12,500
65 Interconnecting Facility I 96 Gathering / Bulk Lines 67 Valves, Dumps, Controlle 88 Tank / Facility Containme 89 Flare Stack 70 Electrical / Grounding 71 Communications / SCAD	dration Plying ers ent		70.5	12,500	12.500
is Interconnecting Facility I 38 Gathering / Bulk Lines 57 Valves, Dumps, Controlle 58 Tenk / Facility Containment 18 Flare Stack 10 Electrical / Grounding 11 Communications / SCAD	dration Piping ers ent A TOTAL TANGIBLES	> 846,900	41/660	12,500	12,500
is Interconnecting Facility I 38 Gathering / Bulk Lines 57 Valves, Dumps, Controlle 58 Tenk / Facility Containment 18 Flare Stack 10 Electrical / Grounding 11 Communications / SCAD	dration Plying ers ent	> 846,900	70.5	12,500	12.500
55 Interconnecting Facility 155 Gatharding / Built Lines 57 Valves, Dumps, Controlle 58 Tank / Facility Containment 58 Tank / Facility Containment 59 Flare Stack 70 Electrical / Grounding 71 Communications / Safety 72 Instrumentation / Safety	dration Plying ers ent  A  TOTAL TANGIBLES TOTAL COSTS	> 848,900	41/660	12,500	12,500
55 Interconnecting Facility 155 Gatharding / Built Lines 57 Valves, Dumps, Controlle 58 Tank / Facility Containment 58 Tank / Facility Containment 59 Flare Stack 70 Electrical / Grounding 71 Communications / Safety 72 Instrumentation / Safety	dration Plying ers ent  A  TOTAL TANGIBLES TOTAL COSTS	> 848,900	41/660	12,500	12,500
55 Interconnecting Facility ISS Gathering / Built Lines 67 Valves, Dumps, Controlle 68 Tank / Facility Containme 89 Tank / Facility Containme 89 Tank Stock 70 Electrical / Grounding 71 Communications / Safety 72 Instrumentation / Safety	dration Plying ers ers ent  A  TOTAL TANGIBLES  TOTAL COSTS  REDUCTION COMPAN	> 848,900	41(000	12,500	12,500
55 Interconnecting Facility 165 Gathridge Julia Lines 67 Valves, Dumps, Controlle 68 Tank / Facility Controlle 68 Tank / Facility Container 68 Flars Stack 70 Electrical / Grounding 71 Communications / ScAD 72 Instrumentation / Safety PARED BY MATADOR PI	dration Plying ers ers A TOTAL TANGIBLES TOTAL'COSTS RODUCTION COMPAN Agen Byrd	> 848,800 > 3,577,696	41(600 2,639)331	12,500	12,500
55 Interconnecting Facility IS Gathering / Built Lines 57 Valves, Dumps, Controlls 58 Tank / Facility Containing 58 Tank / Facility Containing 58 Tank / Facility Containing 71 Communications / SCAD 72 Instrumentation / Safety  PARED BY MATADOR PI  Drilling Engineer.  Completions Engineer.	A TOTAL TANGIBLES TOTAL TANGIBLES TOTAL COSTS RODUCTION COMPAN Anna Byrd Chira Caivesi	> 848,800 > 3,577,696	41(000	12,500	12,500
is Interconnecting Facility is Gathinton of Built Lines 77 Valves, Dumps, Controlls 18 Tank / Facility Containment 18 Tank / Facility Containment 19 Eners Stack 10 Electrical / Grounding 11 Communications / SCAD 2 Instrumentation / Safety  PARED BY MATADOR PI  Doiling Engineer:	A TOTAL TANGIBLES TOTAL TANGIBLES TOTAL COSTS RODUCTION COMPAN Anna Byrd Chira Caivesi	> 848,800 > 3,577,696	41(600 2,639)331	12,500	12,500
13 Interconnecting Facility is Gathardong / Bulk Lines 77 Valves, Dumps, Controlls 18 Tank / Facility Contained 18 Tank / Facility Contained 18 Tank / Facility Contained 19 Tank State 70 Erectrical / Grounding / Tommunications / ScAD 22 Instrumentation / Safety 21 Instrumentation / Safety PARED BY MATADOR PIDE 18 Page 18 Pag	dration Piping ers ers ers A TOTAL TANGIBLES TOTAL COSTS RODUCTION COMPAN Aaran Byrd Chas Calvest Casey McCam	> 848,800 > 3,577,696	41(600 2,639)331	12,500	12,500
13 Interconnecting Facility is Gathardong / Bulk Lines 77 Valves, Dumps, Controlls 18 Tank / Facility Contained 18 Tank / Facility Contained 18 Tank / Facility Contained 19 Tank State 70 Erectrical / Grounding / Tommunications / ScAD 22 Instrumentation / Safety 21 Instrumentation / Safety PARED BY MATADOR PIDE 18 Page 18 Pag	dration Piping ers ers ers A TOTAL TANGIBLES TOTAL COSTS RODUCTION COMPAN Aaran Byrd Chas Calvest Casey McCam	> 848,800 > 3,577,696	41(600 2,639)331	12,500	12,500
is Interconnecting Facility is Gathering / Built Lines of Valves, Dumps, Controlls is Tank / Facility Containing is Flare Stack to Electrical / Grounding // Communications / SCAD // Instrumentation / Safety  PARED BY MATADOR PI  Drilling Engineer  Completions Engineer  Production Engineer  ADOR RESOURCES COI	dration Piping ers ers ers ers TOTAL TANGIBLES TOTAL COSTS RODUCTION COMPAN Anna Byrd Chas Gaves Gaves McCam	> 848,900 > 3,577,596 Y: Team Lead - WTX/I	41,060 2,639,231 NM	12,500 	12.500
55 Interconnecting Facility is 35 Gatharden / Bulk Lines of Valves, Dumps, Controlle State / Facility Containers State / Facility Containers State / Facility Containers of Facility Containers / Facility Communications / ScAD / Instrumentation / Safety PARED BY MATADOR PIDE Completions Engineer.  Production Engineer.	dration Piping ers ers ers ers TOTAL TANGIBLES TOTAL COSTS RODUCTION COMPAN Anna Byrd Chas Gaves Gaves McCam	> 848,800 > 3,577,696	41,060 2,639,231 NM	12,500	12.500
55 Interconnecting Facility is 50 Gatharing / Built Lines 57 Valves, Dumps, Controlls 58 Tank / Facility Containment 58 Tank / Facility Containment 58 Tank Stack 70 Erectrical / Grounding 71 Communications / ScAD 72 Instrumentation / Safety Dumber 50 Dumbe	dration Plying ers ers A TOTAL TANGIBLES TOTAL'COSTS RODUCTION COMPAN Ann Byrd Chis Cabes Gasey McCam MPANY APPROVAL	> 848,900 > 3,577,696 Y: Team Lead - WTX/I	41/600 2,636/831 NM DW8 -	416,600 524,300	12,500
B Interconnecting Facility is Gathering / Built Lines 67 Valves, Dumps, Controlling 68 Tank / Facility Containment 69 Flare Stack 70 Electrical / Grounding 71 Communications / SCAD 72 Instrumentation / Safety  PARED BY MATADOR PI  Drilling Engineer.  Completions Engineer.  Production Engineer.	A TOTAL TANGIBLES TOTAL COSTS RODUCTION COMPAN Anna Byrd Chia Caberi Caber McCain	> 848,900 > 3,577,596 Y: Team Lead - WTX/I	41,060 2,658,231 DW8 -	12,500 	12,500
55 Interconnecting Facility is 56 Gathning / Built Lines 57 Valves, Dumps, Controlle 58 Tank / Facility Containing 58 Tank / Facility Containing 58 Tank / Facility Containing 58 Tank 5 Tack / Facility Containing 17 Communications / SCAD 12 Instrumentation / Safety 21 Instrumentation / Safety PARED BY MATADOR PP Drilling Engineer. Completions Engineer. Completions Engineer. Production Engineer. ADOR RESOURCES COI	A TOTAL TANGIBLES TOTAL TANGIBLES TOTAL COSTS RODUCTION COMPAN AREN Byrd Chas Calves Gasey McCarn MPANY APPROVAL:  DEL	Y:  Team Lead - WTX/I  VP - Res Engineer  Exec Dir - Explorati	41/650 2,659/331	416,600 524,300	12,500
13 Interconnecting Facility is Gathinton of Bulk Lines 17 Valves, Dumps, Controlls 18 Tank / Facility Containment 18 Tank / Facility Containment 18 Tank / Facility Containment 19 Electrical / Grounding 11 Communications / Safety 12 Instrumentation / Safety 12 Instrumentation / Safety 12 Instrumentation / Safety 15 PARED BY MATADOR PI 16 Drising Engineer. 17 Completions Engineer. 18 Production Engineer. 18 Production Engineer. 18 PRESOURCES COI 18 Executive VP, COO/CFO	dration Piping ers ers ers ers A  TOTAL TANGIBLES TOTAL COSTS  RODUCTION COMPAN  Annn Byrd Chas Cabest Casey McCarp  MPANY APPROVAL:  OEL	> 848,900 > 3,577,696 Y: Team Lead - WTX/I	1   1   1   1   1   1   1   1   1   1	416,600 524,300	12,500
is Interconnecting Facility is Gathering / Built Lines 77 Valvee, Dumps, Controlle 18 Tank / Factility Controlle 18 Tank / Factility Containing 18 Tank / Factility Containing 18 Tank / Factility Containing 10 Erectrical / Grounding 11 Communications / SCAD 2 Instrumentation / Safety PARED BY MATADOR PI Drižing Engineer Completions Engineer Completions Engineer Production Engineer ADOR RESOURCES COI Executive VP, COO/CFO Executive VP, Legal	A TOTAL TANGIBLES TOTAL TANGIBLES TOTAL COSTS RODUCTION COMPAN AREN Byrd Chas Calves Gasey McCarn MPANY APPROVAL:  DEL	Y:  Team Lead - WTX/I  VP - Res Engineer  Exec Dir - Explorati	41/650 2,659/331	416,600 524,300	12,500
Is Interconnecting Facility is Gathering / Bulk Lines  77 Valvee, Dumps, Controlle  88 Tank / Factity Controlle  88 Tank / Factity Containing  89 Faine Stack  70 Electrical / Grounding  71 Communications / SCAD  72 Instrumentation / Safety  PARED BY MATADOR PI  Driting Engineer:  Completions Engineer:  Completions Engineer:  Production Engineer  Production Engineer:  ADOR RESOURCES COI  Executive VP, COO/CFO  Executive VP, Legal  President	dration Piping ers ers ent  A  TOTAL TANGIBLES  TOTAL COSTS  RODUCTION COMPAN  Aarun Byrd Chins Calvers  Casey McCain  MPANY APPROVAL:  OEL  CA	Y:  Team Lead - WTX/I  VP - Res Engineer  Exec Dir - Explorati	1   1   1   1   1   1   1   1   1   1	416,600 524,300	12,500
is Interconnecting Facility is Gathering / Built Lines 77 Valvee, Dumps, Controlle 18 Tank / Factility Controlle 18 Tank / Factility Containing 18 Tank / Factility Containing 18 Tank / Factility Containing 10 Erectrical / Grounding 11 Communications / SCAD 2 Instrumentation / Safety 2 Instrumentation / Safety PARED BY MATADOR PI Drilling Engineer Completions Engineer Completions Engineer Production Engineer ADOR RESOURCES COI Executive VP, COO/CFO Executive VP, Legal President	dration Piping ers ers ent  A  TOTAL TANGIBLES  TOTAL COSTS  RODUCTION COMPAN  Aarun Byrd Chins Calvers  Casey McCain  MPANY APPROVAL:  OEL  CA	Y:  Team Lead - WTX/I  VP - Res Engineer  Exec Dir - Explorati	1   1   1   1   1   1   1   1   1   1	416,600 524,300	12,500
is Interconnecting Facility is Gathining / Butle Lines of Valves, Dumps, Controlls in Tank / Facility Containment in Tank	dration Piping ers ers ers ers total tangibles Total:Costs RODUCTION COMPAN Annu Byrd Chins Calveri Casey McCain MPANY APPROVAL: CA	Y:  Team Lead - WTX/I  VP - Res Engineer  Exec Dir - Explorati	41,000 2,699,831  NM	415,500  415,500  524,109  VP - Drill  VP - Procuci	12.500
55 Interconnecting Facility is 56 Gatharder Full Lines 57 Valves, Dumps, Controlls 58 Tank / Factity Controlls 58 Tank / Factity Containers 58 Tank / Factity Containers 58 Tank Stack 70 Electrical / Grounding 71 Communications / SCAD 72 Instrumentation / Safety PARED BY MATADOR PI Drilling Engineer Completions Engineer Completions Engineer Production Engineer ADOR RESOURCES COI Executive VP, COO/CFO Executive VP, Legal President	dration Piping ers ers ers ers total tangibles Total:Costs RODUCTION COMPAN Annu Byrd Chins Calveri Casey McCain MPANY APPROVAL: CA	Y:  Team Lead - WTX/I  VP - Res Engineer  Exec Dir - Explorati	1   1   1   1   1   1   1   1   1   1	416,600 524,300	12.500
B Interconnecting Facility is 30 Gathering / Built Lines of Valves, Dumps, Controlls B8 Tank / Facility Containing B9 Flare Stack 70 Erectrical / Grounding 71 Communications / ScAD 72 Instrumentation / Safety Distingtion of ScAD Distingtion of ScAD Distingtion of Safety Distingtion of	A TOTAL TANGIBLES TOTAL COSTS RODUCTION COMPAN Aans Byrd Chas Cabers Caber McCain  MPANY APPROVAL:  CA  NOTE  APPROVAL:	Y:  Team Lead - WTX/I  VP - Res Engineer  Exec Dir - Explorati	41,000 2,699,831  NM	415,500  415,500  524,109  VP - Drill  VP - Procuci	12.500
Completions Engineer. Production Engineer. ADOR RESOURCES COI  Executive VP, COO/CFO  Executive VP, Legal  President  LOPERATING PARTNER  Company Name:	A TOTAL TANGIBLES TOTAL COSTS RODUCTION COMPAN Aans Byrd Chas Cabers Caber McCain  MPANY APPROVAL:  CA  NOTE  APPROVAL:	Y:  Team Lead - WTX/I  VP - Res Engineer  Exec Dir - Explorati	41/600 2,638/831  NM	415,500  415,500  524,109  VP - Drill  VP - Procuci	12.500

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5275 • Fax 972-371-5201 ifilbert@matadorresources.com

Jonathan Filbert Senior Staff Landman

March 23, 2015

### VIA CERTIFIED RETURN RECEIPT MAIL

Philip C. Vogel 5611 Glen Pines Drive Houston, Texas 77069

Re: Matador Production Company – Cimarron State 16-19S-34E RN #133H

Participation Proposal

Section 16, Township 19-South, Range 34-East

Lea County, New Mexico

Philip C. Vogel:

MRC Permian Company ("MRC") proposes the drilling of the Matador Production Company's Cimarron State 16-19S-34E RN #133H Well, located in Section 16, Township 19-South, Range 34-East, Lea County, New Mexico, to the Bone Spring formation.

MRC is requesting that you indicate below your election of whether to participate in the drilling and completion of this proposed well as set out herein. Please indicate your election in the space provided below, sign and return one (1) copy of this letter to the undersigned.

- 1. The estimated cost of drilling, testing, completing, and equipping the subject well is \$6,800,827 as itemized on the enclosed Authority for Expenditure ("AFE") dated March 5, 2015.
- 2. The proposed surface location of the subject well is approximately 250' FNL and 1015' FEL of Section 16, Township 19-South, Range 34-East, Lea County, New Mexico. The proposed bottomhole location of the subject well is 240' FSL and 1506' FEL; see the enclosed plat for more detail.
- 3. In this well, there is a targeted interval within the Bone Spring formation. We will drill horizontally in the Third Bone Spring (~10,700' TVD) to a Total Measured Depth of

approximately 15,000' resulting in a productive lateral of approximately 4,300' that will require 11 frac stages to be completed.

If your election is to participate in the drilling and completion of the proposed well, please sign and return a copy of the enclosed AFE within 30 days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and in electing to participate in the proposed well.

If you have any questions feel free to email or call me at the address above or email.
Sincerely,
MRC PERMIAN COMPANY
Jonathan Filbert
Enclosure(s)
Please elect one of the following and return to sender:
Philip C. Vogel hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company Cimarron State 16-19S-34E RN #133H Well, located in Lea County, New Mexico.
Philip C. Vogel hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE for the Matador Production Company Cimarron State 16-19S-34E RN #133H Well, located in Lea County, New Mexico.
Philip C. Vogel
By:
Title:
Date:

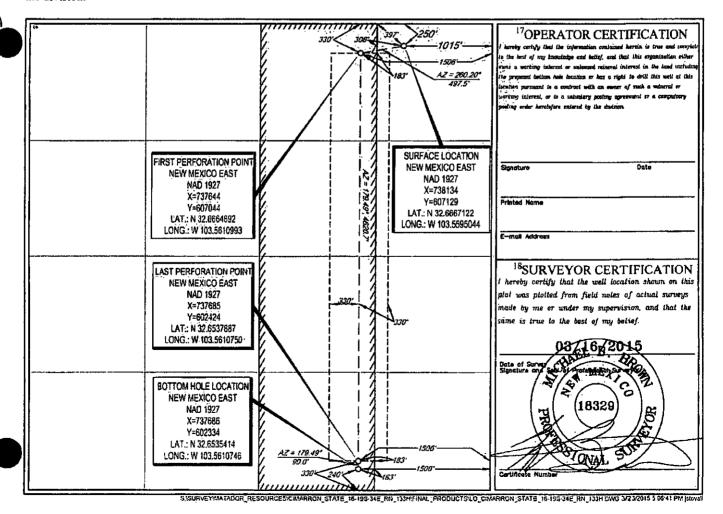
District I 1625 N, French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 311 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S, St. Francis Dr., Sante Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Sante Fe, NM 87505

FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

		V	VELL LO	CATION	AND ACRI	EAGE DEDICA	ATION PLAT	•		
	•		<sup>2</sup> Pool Code	³Pool Name				<del>-</del>		
*Property C	Code		Cl	<sup>5</sup> Property Name CIMARRON STATE 16-19S-34E RN					Well Number #133H	
OGRID 7		M	Operator Name MATADOR PRODUCTION COMPANY				'Elevation 3825'			
<del>_</del>					<sup>10</sup> Surface Lo	cation				
UL or lot no. A	Section 16	Township 19-S	Runge 34-E	Lot Idn	Feet from the 250'	North/South line NORTH	Feet from the 1015	East/West line EAST	County LEA	
UL or lot no.	Section 16	Township 19-S	Ringe 34-E	Lat kin	Feet from the 240'	North/Sauth line	Feet from the	East/West line	County LEA	
<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or I	nfill <sup>I4</sup> Co	nsolidation Code	<sup>15</sup> Order i	No.	I				



MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE - 5400 LBJ FREEWAY - SUITE 1500 - DALLAS, TEXAS 75240
Phone (972) 371-5200 - Fax (972) 371-5201
ESTMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

ATE:	March 5; 2015		1	AFE NO.:_	300025-005-001
ELL NAME:	Cimanon State 16-1	9-34 RN #133H		FIELD:	Bane Spring
CATION:			!		15.000/10,700
DUNTY/STATE:	Lea.		1	LATERAL LENGTH:	4,300 ·-
RC WI:	50.00%		j	ORILLING DAYS:	30
EOLOGIC TARGET:	3rd BS		+	COMPLETION DAYS:	12
EMARKS:	Drill a horizontal wel	l and complete with 11 st		asign	
<u> </u>		ments and timetals and a	Farment territoria (1)	gain	a a managamenta a salaga salagan salaga a sa
	£1.00 m	DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE		. COSTS	COSTS_		- COSTS
Land / Legal / Regulator		5 36,700	137,500	4,000	268,000
l Location, Surveys & Dai I Drilling	1.55ea	125,500	137,000	- <del>- 4,000</del>	1,034,000
i Drinnig : Cemanting & Float Equi		215,060			215,000
Logging / Formation Eve			6,500		6,500
Mud Logging		14,500	Ţ		14:500
Mud Circulation System		38,780			33,780
Mud & Chemicals		60,000	36,000		96,000
Mud / Wastewater Dispo	<b>43)</b>	145,000	:6		145,000
Freight / Trensportation		35,000	13,500		49,500
Rig Supervision / Engine	tkring	118 600	56,250	19,000	193,050
Drill Bits		105,000	1. 1. E. E. E. E. E.	<u> </u>	105,000 196,000
Fuel & Power		198,000	238,000		350,500
l Water i Drig & Completion Over	tuerd	16,500			33,500
i Ding & Completion Over I Plugging & Abendonme			1		- 1, 000
Directional Drilling, Sun		192,000	<del>'i</del>	<del></del>	192,000
Completion Unit, Swab,			<u>110,000:</u>	2E,000	135,000
Perforating, Wireline, Sil	Ckline	<u>.</u>	79,000	20,000	: 89,000
High Pressure Pump Tru	Kh		48,000		48,000
Stimutation	<b>-</b> .		1,210,000	<u> </u>	1,210,000
Sumulation Flowback &	nizb	36100	45,500	<del>-</del>	45,500 28,100
(neurance		26,100 163,000	19,500	6,000	188,500
: Labor : Rental - Surface Equipm	***	89,100	225.250	12,000	326,350
: Rental - Surrace Equipm : Rental - Downhole Equip		12,500	43,000	12,000	55,500
Rental - Living Quarters		75,720	31,210	10,000	116,930
Contingency		217,096	-241,521	9,800	458,517
	TOTAL INTANGIBLE	ES > 2,930,795	2,557,831		6,695,427
		DRILLING	- COMPLETION	PRODUCTION	TOTAL
, _TANGIBLE C	OSTS_	COSTS	соэтэ	COSTS	COSTS
Surface Casing	·	\$ 74,150	\$	\$ <u></u> -	5 .74,150
Intermediate Casing		166,800			168 800
Drilling Liner		BET AFE			355,950
Production Casing		355,950			333,850
Production Lines Tubing			- <del> </del>	55,000	55,000
Wellhead		50,000	1	60,000	110,000
Packers, Liner Hangers			41,000	12,000	53,000
Tenks		<del></del>		<del></del>	-
Production Vessels				74,000	74.000
Flow Lines					
Rod atring			1		
Artificial Lift Equipment		-		50,000	50,000
Compressor		<del></del>		62,000	B2,030
Installation Costs Surface Pumps		. fr = *.	u	5,000	5,000
Non-controlights Surface				65,000	65,000
Non-controllable Downh		<del></del>			
Downhole Pumps		•	<del></del>		
Measurement & Motor in		·		12,500	12,500
Gas Conditioning / Dahy					
Interconnecting Facility	Piping		<u> </u>		<u>-</u>
Gattering / Bulk Lines			····· <u>I</u>	<del></del>	
Valves, Dumps, Controll			<del></del>	<del></del>	
Tank / Facility Containm Flare Stack	·m.	<del></del>	<del>- 1</del> -	<del></del>	<del></del>
Electrical / Grounding		<del> </del>	. <del>12 1 </del>		<del></del>
Communications / SCAD	4		1		<del></del>
Instrumentation / Safety					
	TOTAL TANGIBLE	3 > 646,900	41,000	418,500	1,104,400
	TOTAL COST	'S > 3,677,696	2,698,833	524,300	6,800,827
ADES 02 MATERIAL -	Donuerou com	ADV.			
ARED BY MATADOR P	AUDUCTION COMPA	uvr:	<del></del>	·	
Drilling Engineer	: Agran Byrd	Team Lead - WTX	INM EMILES		
Completions Engineer			DWB		
Production Engineer			-		
	·		· · · · · · · ·		
DOR RESOURCES CO	MDANY ADDOOMIAL.				
	MIT ANTI APPROVAL	<del></del>	<del>+</del>	· <del></del>	
Executive VP, COO/CF0	)	VP - Res Engino	ering .	VP - D	oniling .
OEL OEL		RUA (			
Executive VP, Legs	1	Exec Dir - Explora	ztion	VP - Proc	uclion .
CADALIVE YF, LEGS		FYER ON - EXPERI	DFH	4F - F/4C	WFM
Domaid		UD E Panarol Mon	1		*****
Presiden	MVH	VP & General Man	HCL		
	58. W.T		,ner,		
			!	·	
PERATING PARTNER	APPROVAL:				
Company Name			Working Interest (%).		ax ID.
		<del></del>			
Company Name					
Signed by	<u></u> _		Date _		
Signed by			7 -	<del></del>	
, -			Dato _    -   Approval	Yes	No (mark one)