

MRC Permian Company

One Lincoln Centre 5400 LBJ Freeway Suite 1500 Dallas Texas 75240
Voice 972 371 5446 Fax 214 866 4946
shartsfield@matadorresources.com

Sara Hartsfield
Associate Landman

January 17 2017

VIA CERTIFIED RETURN RECEIPT MAIL

Charles A Skeen
P O Box 8111
Roswell NM 88203

Re Matador Production Company – Michael Collins 11 23S 27E RB #206H (the Well)
Participation Proposal/Offer to Lease
Section 11 Township 23 South Range 27 East
Eddy County New Mexico

Dear Sir/Madam

MRC Permian Company (MRC) proposes the drilling of Matador Production Company s
Michael Collins 11 23S 27E RB #206H well located in Section 11 Township 23 South Range 27
East Eddy County New Mexico to the Wolfcamp formation

In connection with the above please note the following

- The estimated cost of drilling testing, completing and equipping the Well is \$5 920 455 00 as found on the enclosed AFE dated August 29 2016
- The proposed surface location of the Well is approximately 1747 FNL and 537 FEL of Section 11 Township 23 South, Range 27 East Eddy County New Mexico The proposed bottom hole location of the subject well is approximately 2310 FNL and 240 FWL of Section 11 Township 23 South Range 27 East, Eddy County New Mexico
- The Well will have a targeted interval within the Wolfcamp formation We plan to drill the Well horizontally in the Wolfcamp (~9 250 TVD) to a Total Measured Depth of approximately 14 350 resulting in a productive lateral of approximately 4 500

MRC reserves the right to modify the locations and drilling plans described above in order to address topography cultural or environmental concerns among other reasons MRC will advise you of any such modifications

Charles A Skeen a married man, dealing in his sole and separate property will own an approximate 0 0625000 working interest in the Well subject to title verification

MRC requests that you indicate your election to participate in the drilling and completion of the Well in the space provided below sign and return one (1) copy of this letter to the undersigned

As an alternative to participation in the well Matador is interested in leasing your mineral interest, subject to title verification, for \$1 500/acre 1/5 royalty and a 3 year term on the lease form enclosed Should you elect to lease your minerals please sign the enclosed lease in the presence of a notary public and return it to my attention at the address listed above

If your election is to participate in the drilling and completion of the Well please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well each working interest owner shall be responsible for their proportionate share of all costs incurred

Thank you for your consideration of this proposal Please contact me if you have any questions

Sincerely



Sara Hartsfield

Enclosure(s)

Please elect one of the following and return to sender

_____ Charles A Skeen a married man dealing in his sole and separate property hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company s Michael Collins 11 23S 27E RB #206H well located in Eddy County New Mexico

_____ Charles A Skeen, a married man dealing in his sole and separate property hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company s Michael Collins 11 23S 27E RB #206H well located in Eddy County New Mexico

_____ Charles A Skeen a married man, dealing in his sole and separate property hereby elects to lease its minerals for \$1 500/net mineral acre 20% royalty and a 3 year term on the lease form enclosed

Charles A Skeen, a married man dealing in his sole and separate property

By _____

Title _____

Date _____

MRC Permian Company

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shartsfield@matadorresources.com

Sara Hartsfield
Associate Landman

January 25 2017

VIA CERTIFIED RETURN RECEIPT MAIL

Carlsbad Auto Supply
c/o Israel Hernandez
710 South Canyon
Carlsbad, New Mexico 88220

Re Matador Production Company – Michael Collins 11 23S 27E RB #208H (the Well)
Participation Proposal
Section 11 Township 23 South Range 27 East
Eddy County New Mexico

Dear Mr Hernandez

MRC Permian Company (MRC) proposes the drilling of Matador Production Company s
Michael Collins 11 23S 27E RB #208H well located in Section 11 Township 23 South Range
27 East Eddy County New Mexico to the Wolfcamp formation

In connection with the above please note the following

- The estimated cost of drilling testing, completing, and equipping the Well is \$5 920 455 00 as found on the enclosed AFE dated August 19 2016
- The proposed surface location of the Well is approximately 154 FSL and 390 FEL of Section 11 Township 23 South Range 27 East Eddy County New Mexico The proposed bottom hole location of the subject well is approximately 330 FSL and 240 FWL of Section 11 Township 23 South Range 27 East Eddy County, New Mexico
- The Well will have a targeted interval within the Wolfcamp formation We plan to drill the Well horizontally in the Wolfcamp (~9 250 TVD) to a Total Measured Depth of approximately 14 350 resulting in a productive lateral of approximately 4 500

MRC reserves the right to modify the locations and drilling plans described above in order to address topography cultural or environmental concerns among other reasons MRC will advise you of any such modifications

Carlsbad Auto Supply will own an approximate 0.218750 working interest in the Well subject to title verification

MRC requests that you indicate your election to participate in the drilling and completion of the Well in the space provided below sign and return one (1) copy of this letter to the undersigned

As an alternative to participation in the well Matador is interested in leasing your mineral interest, subject to title verification, for \$1 500/acre 1/5 royalty and a 3 year term on the lease form enclosed Should you elect to lease your minerals please sign the enclosed lease in the presence of a notary public and return it to my attention at the address listed above

If your election is to participate in the drilling and completion of the Well please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well each working interest owner shall be responsible for their proportionate share of all costs incurred

Thank you for your consideration of this proposal Please contact me if you have any questions

Sincerely


Sara Hartsfield

Enclosure(s)

Please elect one of the following and return to sender

_____ Carlsbad Auto Supply c/o Israel Hernandez, hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Michael Collins 11 23S 27E RB #208H well located in Eddy County New Mexico

_____ Carlsbad Auto Supply c/o Israel Hernandez, hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Michael Collins 11 23S 27E RB #208H well located in Eddy County New Mexico

_____ Carlsbad Auto Supply c/o Israel Hernandez, hereby elects to lease its minerals for \$1 500/net mineral acre 20% royalty and a 3 year term

Carlsbad Auto Supply c/o Israel Hernandez

By _____

Title _____

Date _____