

MATADOR PRODUCTION COMPANY

Tom Matthews 10 24S 28E RB

No. 223H

Case 15710

EX 141B15

June 8, 2017

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL
RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF MATADOR
PRODUCTION COMPANY
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 15710

June 8, 2017

**EXHIBIT NOTEBOOK
Tom Matthews 10-24S-28E RB 223H**

Exhibit 1	C-102 Form
Exhibit 2	Summary of Working/ Mineral Interests
Exhibit 3	Midland Map
Exhibit 4	Well Proposal Letters
Exhibit 5	AFE
Exhibit 6	Affidavit, notice letters, proof of mailing (compulsory pooling)
Exhibit 7	Locator Map
Exhibit 8	Structure Map
Exhibit 9	Stratigraphic Cross Section A-A'
Exhibit 10	Isopach Map
Exhibit 11	Tom Matthews 10-24S-28E RB 223H Completion

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 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., Santa 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.
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
	98220	PURPLE SAGE;WOLFCAMP (GAS)
⁴ Property Code	⁵ Property Name	⁶ Well Number
	TOM MATTHEWS 10-24S-28E RB	#223H
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
	MATADOR PRODUCTION COMPANY	3016'

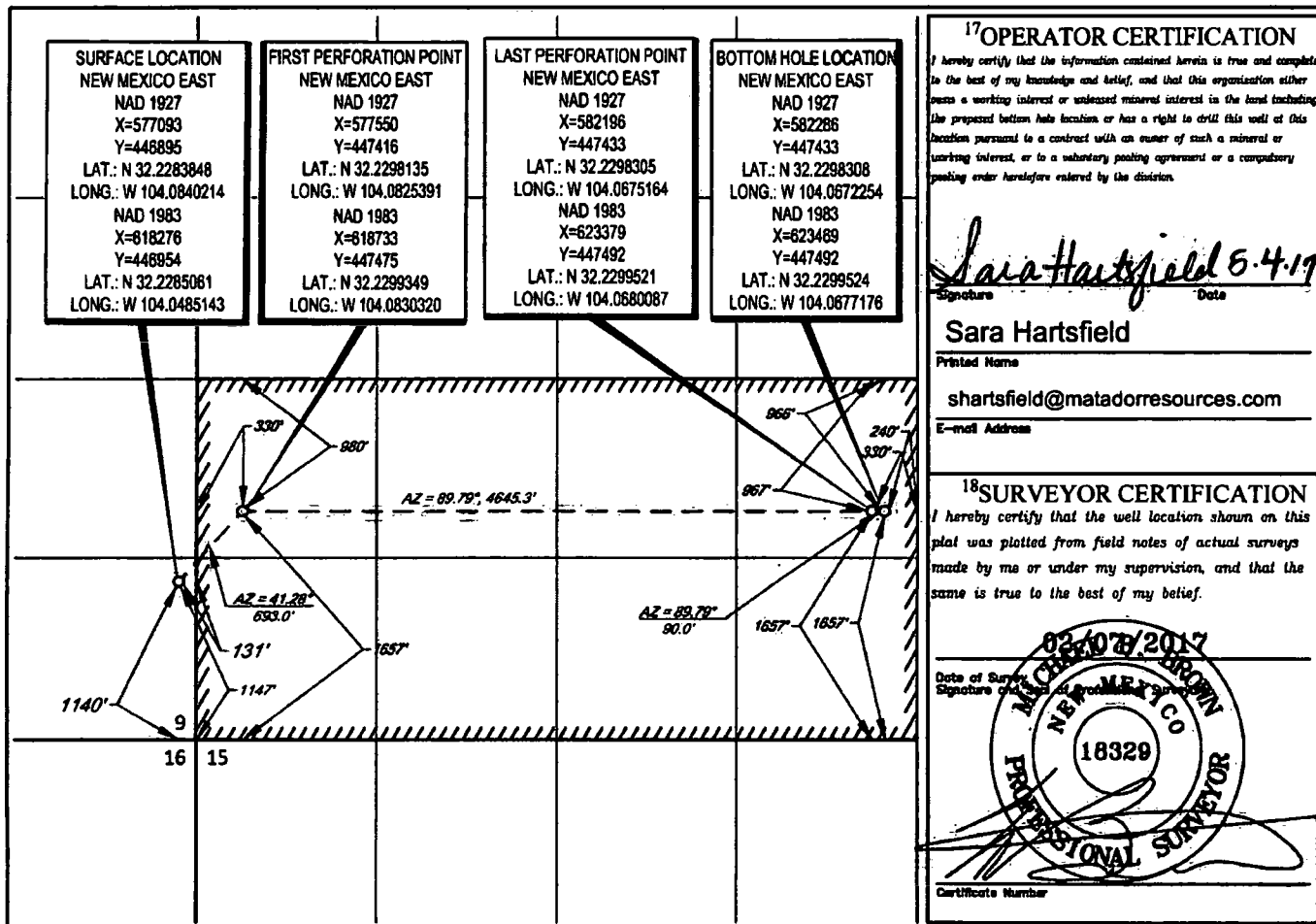
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
P	9	24-S	28-E	-	1140'	SOUTH	131'	EAST	EDDY

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
I	10	24-S	28-E	-	1657'	SOUTH	240'	EAST	EDDY

¹¹ Dedicated Acres	¹² Joint or Infill	¹³ Consolidation Code	¹⁴ Order No.
320			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Summary of Interests

MRC Permian Company:		68.749616%
Voluntary Joinder:		20.661757%
Compulsory Pool:		10.588626%
Interest Owner:	Description:	Interest:
EOG A Resources, Inc.	Working Interest	0.043447%
EOG M Resources, Inc.	Working Interest	0.043447%
EOG Y Resources, Inc.	Working Interest	0.043447%
OXY-1 Company	Working Interest	0.043447%
Anastacia R. Blanco, as her separate property	Unleased Mineral Interest Owner	0.130760%
Betty S. Miller, as her separate property	Unleased Mineral Interest Owner	0.000160%
Boys Club of America	Unleased Mineral Interest Owner	0.039228%
Calvin Sawyer, a his separate property	Unleased Mineral Interest Owner	0.003082%
Deborah Miller, as her separate property	Unleased Mineral Interest Owner	0.000096%
Debra Kay Primera, as her separate property	Unleased Mineral Interest Owner	0.040609%
Dela Inez Masterpolito, as her separate property	Unleased Mineral Interest Owner	0.021793%
Dennis R. Walker, as her separate property	Unleased Mineral Interest Owner	6.970430%

Summary of Interests

Interest Owner:	Description:	Interest:
Don Faulk and Evelyn K. Faulk, husband and wife, as joint tenants	Unleased Mineral Interest Owner	0.065449%
The Estate of Edward Razo, deceased**	Unleased Mineral Interest Owner	0.061909%
Edmund T. Anderson IV, as his separate property	Unleased Mineral Interest Owner	0.012329%
Edward Sawyer, as his separate property	Unleased Mineral Interest Owner	0.003082%
Elidia O. Florez and Francisco M. Florez, husband and wife, as joint tenants	Unleased Mineral Interest Owner	0.053096%
Erma Lee Garcia, as her separate property	Unleased Mineral Interest Owner	0.021793%
Ernest Linck	Unleased Mineral Interest Owner	0.065284%
Estate of Charles Miller, deceased Possible Claimants: Mona Miller and Pamela Miller Meredith*	Unleased Mineral Interest Owner	0.001920%
Estate of Harold E. Miller, deceased**	Unleased Mineral Interest Owner	0.001707%
Estate of Jacob Mathew Housouer, deceased*	Unleased Mineral Interest Owner	0.003078%
Estate of Kevin Miller, deceased Possible Claimants: Amiee Fenning, Austin Miller, and Destiny Miller*	Unleased Mineral Interest Owner	0.000096%

TOM MATTHEWS 10-24S-28E RB #223H

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* Believed to have died intestate, more claimants could be identified

**Undergoing curative work currently to identify possible claimants, if any



Summary of Interests

Interest Owner:	Description:	Interest:
Estate of Margaret Russell, deceased**	Unleased Mineral Interest Owner	0.001280%
Estate of Murle Holloway, deceased**	Unleased Mineral Interest Owner	0.001707%
Estate of Virginia B. Miller, deceased**	Unleased Mineral Interest Owner	0.001707%
Evelyn Kaye Faulk, as her separate property	Unleased Mineral Interest Owner	0.146393%
Frances Escamilla Salsberry, as her separate property	Unleased Mineral Interest Owner	0.059955%
Geralyn F. Blanco, as her separate property	Unleased Mineral Interest Owner	0.065221%
Gordon Miller, as his separate property	Unleased Mineral Interest Owner	0.000640%
Hazel Irene Luherman, as her separate property	Unleased Mineral Interest Owner	0.006164%
Humberto N. Morales, a/k/a Pinky Morales, as his separate property	Unleased Mineral Interest Owner	0.035845%
Jaime P. Ruiz, as his separate property	Unleased Mineral Interest Owner	0.021793%
James Elliot Seatson, as his separate property	Unleased Mineral Interest Owner	0.034845%
Jose Manuel Escamilla, as his separate property	Unleased Mineral Interest Owner	0.059955%

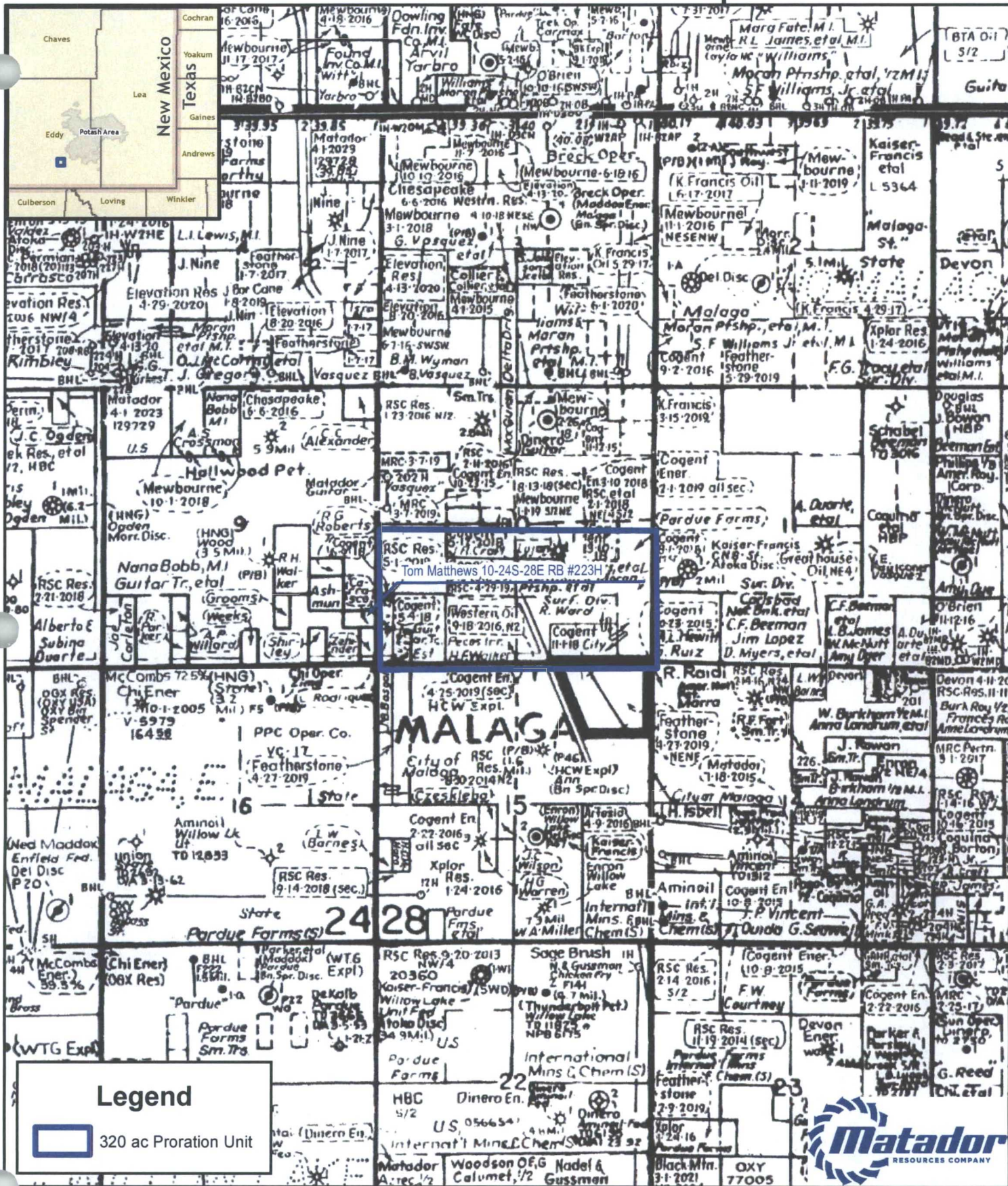
Summary of Interests

Interest Owner:	Description:	Interest:
Kay Walker, as her separate property	Unleased Mineral Interest Owner	1.095114%
Kelly Van Dusen, as her separate property	Unleased Mineral Interest Owner	0.000096%
Kevin K. Leonard, as Trustee of the Kevin K. Leonard Child's trust	Unleased Mineral Interest Owner	0.013076%
Lionel Olivas, whose martial status is unknown	Unleased Mineral Interest Owner	0.092847%
Lupe Ramirez and Wife, Margarita Ramirez, as joint tenants	Unleased Mineral Interest Owner	0.087378%
Malaga Mutual Domestic Water Consumers and Sewage Works Association	Unleased Mineral Interest Owner	0.352138%
Michael Kyle Leonardo, as Trustee of the Michael Kyle Leonard Child's Trust	Unleased Mineral Interest Owner	0.013076%
Mona Miller, as her separate property	Unleased Mineral Interest Owner	0.001920%
New Mexico Boys and Girls Ranch Foundation, Inc.	Unleased Mineral Interest Owner	0.039228%
Patrick Leonard, as Trustee of the Patrick Leonard Child's trust	Unleased Mineral Interest Owner	0.013076%
Pauline Dickens, as her separate property	Unleased Mineral Interest Owner	0.001280%

Summary of Interests

Interest Owner:	Description:	Interest:
Peggy Beesing Vorel, as her separate property	Unleased Mineral Interest Owner	0.030960%
Phyllis Jean Peal(f/k/a Phyllis Jean Hummel), as her separate property	Unleased Mineral Interest Owner	0.030939%
Ricky Don Raindl, as his separate property	Unleased Mineral Interest Owner	0.040596%
Robert B. Coleman, as his separate Property	Unleased Mineral Interest Owner	0.121802%
Robert B. Lujan, as his separate property	Unleased Mineral Interest Owner	0.077503%
Sandra Pauley, as her separate Property	Unleased Mineral Interest Owner	0.000096%
Shannon C. Leonard, AS Trustee of the Shannon C. Leonard Childs Trust	Unleased Mineral Interest Owner	0.013076%
Shawna Haul, as her separate Property	Unleased Mineral Interest Owner	0.000096%
Spectrum 7 Exploration Company	Unleased Mineral Interest Owner	0.121802%
Stephen Glenn Hopkins, Whose martial Status is unknown	Unleased Mineral Interest Owner	0.035908%

10-24S-28E Midland Map



1:30,000

1 inch = 2,500 feet

Southeast New Mexico

Date: May 10, 2017
Coordinate System: NAD 1927 StatePlane New Mexico East FIPS 3001
Projection: Transverse Mercator; Datum: North American 1927; Units: Foot US
Sources: IHS; ESRI;

Date: May 10, 2017

Mexico East FIPS 3001
1927 United States

Sources: IHS: ESRI:

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

March 29, 2017

VIA CERTIFIED RETURN RECEIPT MAIL

EOG A Resources, Inc.
105 S. 4th Street
Artesia, NM 88210

Re: Matador Production Company – Tom Matthews 10-24S-28E RB #223H (the “Well”)
Participation Proposal
Section 10, Township 24 South, Range 28 East
Eddy County, New Mexico

Dear EOG A Resources, Inc.:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Tom Matthews 10-24S-28E RB #223H well, located in Section 10, Township 24 South, Range 28 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 \$7,405,819 as found on the enclosed AFE dated February 17, 2017.

The proposed surface location of the Well is approximately 1140’ FSL and 131’ FEL of Section 9, Township 24 South, Range 28 East, Eddy County, New Mexico. The proposed bottom hole location of the subject well is approximately 1657’ FSL and 240’ FEL of Section 10, Township 24 South, Range 28 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 (~10,800’ TVD) to a Total Measured Depth of approximately 15,600’ resulting in a productive lateral of approximately 4500’.

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.

EOG A Resources, Inc., will own an approximate 0.000315425 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.

MRC is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement which is enclosed for your review and approval. The enclosed Operating Agreement dated March 13, 2017, by and between Matador Production Company, as operator and MRC Permian Company et al as Non-Operators covers the S/2 of Section 10, Township 24 South, Range 28 East, Eddy County, New Mexico and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$7,000/\$700 Drilling and Producing rate
- Matador Production Company named as Operator

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 its proportionate share of all costs incurred.

Sincerely,

Sara Hartsfield
Sara Hartsfield

Enclosure(s)

Please elect one of the following and return to sender.

_____ EOG A Resources, Inc. hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Tom Matthews 10-24S-28E RB #223H well, located in Eddy County, New Mexico.

_____ EOG A Resources, Inc. hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Matador Production Company's Tom Matthews 10-24S-28E RB #223H well, located in Eddy County, New Mexico.

_____ I/We are interested in selling our interest in this unit, please cotact us to discuss.

EOG A Resources, Inc.

By: _____

Title: _____

Date: _____

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

March 16, 2017

VIA CERTIFIED RETURN RECEIPT MAIL

Anastacia R. Blanco, as her separate property
713 West Irvin
Carlsbad, NM 88220

Re: Matador Production Company – Tom Matthews 10-24S-28E RB #223H (the “Well”)
Participation Proposal
Section 10, Township 24 South, Range 28 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Tom Matthews 10-24S-28E RB #223H well, located in Section 10, Township 24 South, Range 28 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 \$7,405,819 as found on the enclosed AFE dated February 17, 2017.

The proposed surface location of the Well is approximately 1140’ FSL and 131’ FEL of Section 9, Township 24 South, Range 28 East, Eddy County, New Mexico. The proposed bottom hole location of the subject well is approximately 1657’ FSL and 240’ FEL of Section 10, Township 24 South, Range 28 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 (~10,800’ TVD) to a Total Measured Depth of approximately 15,600’ resulting in a productive lateral of approximately 4500’.

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.

Anastacia R. Blanco, as her separate property, will own an approximate 0.00130208 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 for \$1,500/acre, 1/5 royalty, and a 3 year primary term. 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, along with the enclosed Form W-9.

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. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs in the amount of \$9,642.99 to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. 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.

_____ Anastacia R. Blanco, as her 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 Tom Matthews 10-24S-28E RB #223H well, located in Eddy County, New Mexico.

_____ Anastacia R. Blanco, as her 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 Tom Matthews 10-24S-28E RB #223H well, located in Eddy County, New Mexico.

_____ Anastacia R. Blanco, as her separate property elects to lease our minerals for \$1,500/acre, 1/5 royalty, and a 3 year term.

Anastacia R. Blanco, as her separate property

By: _____

Title: _____

Date: _____

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE - 5400 LBJ FREEWAY - SUITE 1600 - DALLAS, TEXAS 75240
Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	February 17, 2017	AFE NO.:	0
WELL NAME:	Tom Matthews 10-24S-28E RB 223H	FIELD:	0
LOCATION:	Section 10-24S-28E	MD/TVD:	15800'/10800'
COUNTY/STATE:	Eddy	LATERAL LENGTH:	about 4500'
MRC W/:			
GEOLOGIC TARGET:	Wolfcamp		
REMARKS:	Drill and complete a horizontal Wolfcamp well with 22 stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 538,700				\$ 538,700
Location, Surveys & Damages	115,500	13,000	4,000	25,000	157,500
Drilling	660,000				660,000
Cementing & Float Equip	145,000				145,000
Logging / Formation Evaluation		4,500			4,500
Mud Logging	18,000				18,000
Mud Circulation System	43,525				43,525
Mud & Chemicals	111,000	15,000			126,000
Mud / Wastewater Disposal	160,000				160,000
Freight / Transportation	38,000	15,750		7,000	58,750
Rig Supervision / Engineering	90,000	55,600	9,000	27,000	181,600
Drill Bits	92,000				92,000
Fuel & Power	69,000				69,000
Water	50,000	317,750		75,000	442,750
Drig & Completion Overhead	9,000	18,500			27,500
Plugging & Abandonment					
Directional Drilling, Surveys	145,000				145,000
Completion Unit, Swab, CTU		22,500	25,000		47,500
Perforating, Wireline, Slickline		87,500	10,000		97,500
High Pressure Pump Truck		41,000			41,000
Stimulation		1,584,000			1,584,000
Stimulation Flowback & Diap		88,000			88,000
Insurance	27,360				27,360
Labor	121,000	15,750	8,000		142,750
Rental - Surface Equipment	54,050	176,363	12,000	15,000	257,413
Rental - Downhole Equipment	50,000	28,750		10,000	88,750
Rental - Living Quarters	49,700	29,405	10,000	10,000	99,105
Contingency	129,142	251,337			380,479
TOTAL INTANGIBLES >	2,711,977	2,764,704	78,000	169,000	5,721,681
TANGIBLE COSTS					
Surface Casing	\$ 19,375				\$ 19,375
Intermediate Casing	51,750				51,750
Drilling Liner	323,600				323,600
Production Casing	234,313				234,313
Production Liner					
Tubing			50,000		50,000
Wellhead	70,000		25,000		95,000
Packers, Liner Hangers		37,800	12,000		49,800
Tanks				60,000	60,000
Production Vessels			76,000	38,000	112,000
Flow Lines					
Rod string					
Artificial Lift Equipment			30,000		30,000
Compressor					
Installation Costs			67,000	160,000	227,000
Surface Pumps			5,000		5,000
Non-controllable Surface			76,000	100,000	176,000
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation			12,500	105,000	117,500
Gas Conditioning / Dehydration					
Interconnecting Facility Piping					
Gathering / Bulk Lines				89,800	89,800
Valves, Dumps, Controllers				8,000	8,000
Tank / Facility Containment					
Flare Stack					
Electrical / Grounding				15,000	15,000
Communications / SCADA					
Instrumentation / Safety				20,000	20,000
TOTAL TANGIBLES >	699,038	37,800	353,800	693,800	1,684,138
TOTAL COSTS >	3,411,014	2,802,504	429,800	762,800	7,405,819

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Adam Lange	Team Lead - WTX/NM <u>WTE</u>	
Completions Engineer: Chris Calvert		
Production Engineer: John Romano		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO _____	VP - Res Engineering _____	VP - Drilling _____
Executive VP, Legal _____	Exec Dir - Exploration _____	VP - Production _____
President _____		

NON OPERATING PARTNER APPROVAL:

Company Name: _____	Working Interest (%): _____	Tax ID: _____
Signed by: _____	Date: _____	
Title: _____	Approval: Yes _____ No (mark one) _____	

The costs in this AFE are estimates only and may not be constrained to reflect any specific item or the total cost of this project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, customs, regulatory, transportation and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and shall proportionately be Contributor's well control and general liability insurance unless participant provides Contributor a certificate evidencing its own insurance in an amount acceptable to the Contributor by the date of start.