

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING JULY 20, 2017**

**CASE No. 15744 AND 15745**

*CUEVA DE ORO FED No. 131H WELL*

*~AND~*

*CUEVA DE ORO FED No. 132H WELL*

**EDDY COUNTY, NEW MEXICO**





District I  
1623 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Aramis, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Acton, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87503  
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

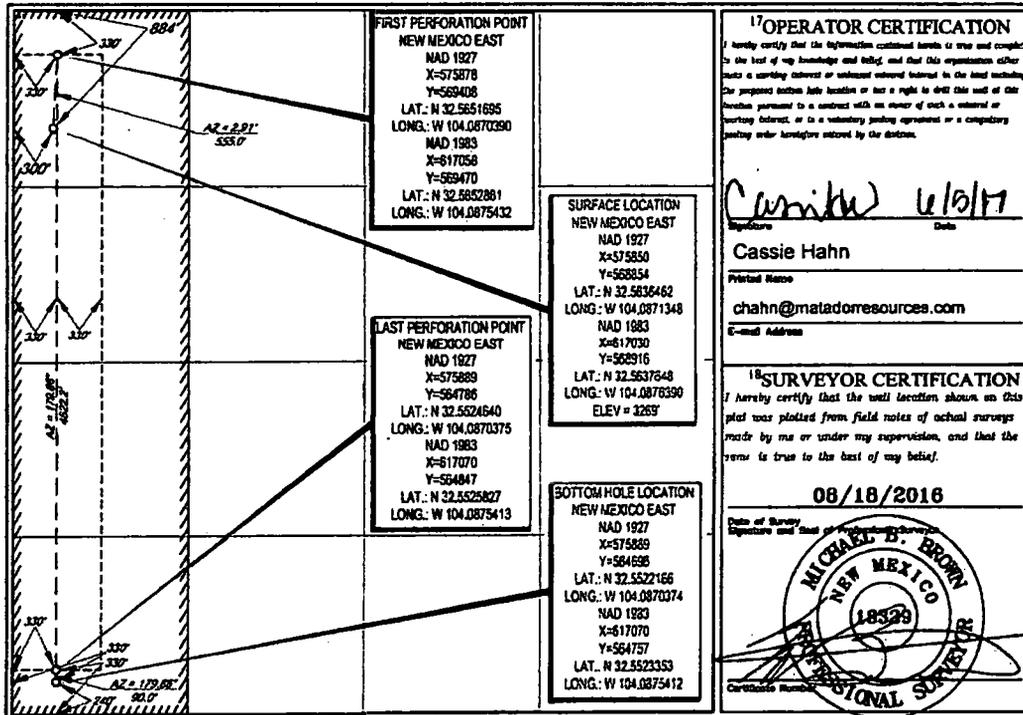
FORM C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Well Code		Well Name					
		27470		GETTY; BONE SPRING					
Property Code		Property Name		Well Number					
		CUEVA DE ORO FED		#131H					
OGRID No.		Operator Name		Elevation					
		MATADOR PRODUCTION COMPANY		3269'					
10 Surface Location									
UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
D	21	20-S	29-E	-	884'	NORTH	300'	WEST	EDDY
UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
M	21	20-S	29-E	-	240'	SOUTH	330'	WEST	EDDY
Dedicated Acres		Lease or title		Consolidation Code		Order No.			
160									

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.



BEFORE THE OIL CONSERVATION  
DIVISION  
Santa Fe, New Mexico  
Exhibit No. 2  
Submitted by: MATADOR PROD. CO.  
Hearing Date: July 20, 2017

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) 749-1283 Fax: (575) 749-9720  
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 87503  
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

APN Number		Pool Code 27470	Pool Name GETTY; BONE SPRING
Property Code	Property Name CUEVA DE ORO FED		Well Number #132H
GRID No.	Operator Name MATADOR PRODUCTION COMPANY		Elevation 3272'

10 Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
C	21	20-S	29-E	-	248'	NORTH	1889'	WEST	EDDY	

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	21	20-S	29-E	-	240'	SOUTH	1870'	WEST	EDDY

11 Dedicated Acres 160	12 Unit or InSD	13 Consolidation Code	14 Order No.
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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.

**FIRST PERFORATION POINT**  
NEW MEXICO EAST  
NAD 1927  
X=577418  
Y=569415  
LAT: N 32.5651780  
LONG: W 104.0820403  
NAD 1983  
X=618610  
Y=569477  
LAT: N 32.5652966  
LONG: W 104.0825444

**LAST PERFORATION POINT**  
NEW MEXICO EAST  
NAD 1927  
X=577429  
Y=5694792  
LAT: N 32.5524695  
LONG: W 104.0820395  
NAD 1983  
X=618610  
Y=564853  
LAT: N 32.5525882  
LONG: W 104.0825432

**SURFACE LOCATION**  
NEW MEXICO EAST  
NAD 1927  
X=577438  
Y=569497  
LAT: N 32.5654038  
LONG: W 104.0819802  
NAD 1983  
X=618616  
Y=569559  
LAT: N 32.5655224  
LONG: W 104.0824943

**BOTTOM HOLE LOCATION**  
NEW MEXICO EAST  
NAD 1927  
X=577429  
Y=564702  
LAT: N 32.5522221  
LONG: W 104.0820395  
NAD 1983  
X=618610  
Y=564763  
LAT: N 32.5523408  
LONG: W 104.0825432

**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this information differs from a surveying instrument or instrument returned interest in the land underlying the proposed bottom hole location or has a right to drill the well at the location pursuant to a contract with an owner of such a returned or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Cassie Hahn* 6/5/17  
Signature Date  
Cassie Hahn  
Principal Name  
chahn@matadomesources.com  
E-mail Address

**18 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

08/18/2016  
Date of Survey  
*Michael B. Brown*  
Signature and Date  
MICHAEL B. BROWN  
NEW MEXICO  
18329  
Certification Number

USER DATA SHALL BE SORTED BY CUEVA DE ORO FED, CUEVA DE ORO, 340, 1201, REVISED 02/20/10 3 08:47 PM

BEFORE THE OIL CONSERVATION  
DIVISION  
Santa Fe, New Mexico  
Exhibit No. 3  
Submitted by: MATADOR PROD. CO.  
Hearing Date: July 20, 2017

## Summary of Interests

<b>MRC Delaware Resources, LLC</b>		<b>71.327057%</b>
<b>Working Interest</b>		
<b>Voluntary Joinder</b>		<b>26.841353%</b>
<b>Compulsory Pool Interest Total:</b>		<b>1.831590%</b>
Interest Owner:	Description:	Interest:
EOG Resources Assets LLC	Uncommitted Working Interest Owner	1.223545%
Pamela J. Burke, as Trustee of the P.I.P. 1990 Trust	Uncommitted Working Interest Owner	0.165830%
T. I. G. Properties	Uncommitted Working Interest Owner	0.165831%
Pamela J. Burke, as Trustee of the Claire Ann Iverson Revocable Living Trust UTA dated November 22, 2005	Uncommitted Working Interest Owner	0.082915%
Pamela J. Burke, as Trustee of the Siegfried James Iverson, III Revocable Living Trust UTA dated November 18, 2005	Uncommitted Working Interest Owner	0.082915%
Van P. Welch, Jr.	Uncommitted Working Interest Owner	0.018426%
Marian Welch Pendergrass	Uncommitted Working Interest Owner	0.018426%
Robert Welch Gillespie	Uncommitted Working Interest Owner	0.018426%



Cueva De Oro Fed #131H and #132H

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. 4  
 Submitted by: MATADOR PROD. CO.  
 Hearing Date: July 20, 2017

## Summary of Interests

Interest Owner:	Description:	Interest:
Erin L. Cofrin Revocable Trust	Uncommitted Working Interest Owner	0.018426%
Phoebe Welch	Uncommitted Working Interest Owner	0.018426%
Saunders Thomas Welch	Uncommitted Working Interest Owner	0.004606%
Michael Irwin Welch	Uncommitted Working Interest Owner	0.004606%
Wendell Terry Welch	Uncommitted Working Interest Owner	0.004606%
Phoebe J. Welch, Trustee of the Phoebe J. Welch Trust dated July 27, 2006	Uncommitted Working Interest Owner	0.004606%

## MRC Delaware Resources, LLC

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240  
Voice 972.371.5241 • Fax 214.866.4883  
[spryor@matadorresources.com](mailto:spryor@matadorresources.com)

Sam Pryor  
Senior Staff Landman

April 7, 2017

APR 7 2017

VIA CERTIFIED RETURN RECEIPT MAIL

Sharbro Energy LLC  
105 4th Street  
Artesia, NM 88210

Re: Cueva De Oro Fed #131H Participation Proposal  
SHL: NW4NW4, BHL: SW4SW4 of Section 21, Township 20 South, Range 29 East  
Eddy County, New Mexico

Dear Sharbro Energy LLC,

MRC Delaware Resources, LLC and its operating company Matador Production Company (collectively "MRC") propose the drilling of the Cueva De Oro 21 Fed #131H well (the "Well"), located in the W2W2 of Section 21, Township 20 South, Range 29 East, Eddy County, New Mexico, to test the Bone Spring formation. The estimated cost of drilling, testing, completing, and equipping the Well is \$6,574,417.00, as itemized on the enclosed Authority for Expenditure ("AFE") dated March 27, 2017.

The Well will be drilled to a total vertical depth of 9,230' and a total measured depth of 13,596', producing a treatable lateral of approximately 4,635' within the Bone Spring formation to be completed with 15 stages.

MRC is proposing to drill the Well under the terms of a modified 1989 AAPL form of Operating Agreement ("OA") covering 320 acres, being the W2 of Section 21, Township 20 South, Range 29 East, Eddy County, New Mexico covering all depths ("Contract Area") pursuant to the following terms:

- 100/300/300% Non-consent penalty
- \$7,000/\$700 Drilling and Producing overhead rate

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 along with your geological well requirements, the AFE, and the OA to the undersigned.

Sharbro Energy LLC will own approximately 3.670635% working interest in the Well, subject to title verification.

BEFORE THE OIL CONSERVATION  
DIVISION  
Santa Fe, New Mexico  
Exhibit No. 5  
Submitted by: MATADOR PROD. CO.  
Hearing Date: July 20, 2017

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.

Please contact me if you have any questions.

Sincerely,

MRC Delaware Resources, LLC

  
Sam Pryor

Enclosure(s)

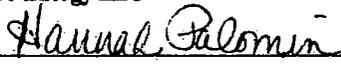
Please elect one of the following and return to sender.

Sharbro Energy LLC hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Cueva De Oro 21 Fed #131H.

Sharbro Energy LLC hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Cueva De Oro 21 Fed #131H

I / We are interested in selling our interest in the Contract Area, please contact us to discuss.

**Sharbro Energy LLC**

By: 

Title: Attorney-in-Fact

Date: 4/24/2017

**MATADOR PRODUCTION COMPANY**  
 ONE LINCOLN CENTRE • 9400 LEJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240  
 Phone (972) 371-5200 • Fax (972) 371-5201

**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	March 27, 2017	AFE NO.:	
WELL NAME:	Cueva De Oro 21 Fed #131H	FIELD:	Bone Spring
LOCATION:	W/ZW/2 Sec. 21, T20S-R29E	MD/TVD:	13,598' / 9,230'
COUNTY/STATE:	Eddy	LATERAL LENGTH:	4,635'
MRC Wt:			
GEOLOGIC TARGET:	3rd Bone Spring		
REMARKS:	Drill, complete, and equip a horizontal 3rd Bone Spring well with 15 stages.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 51,700				\$ 51,700
Location, Surveys & Damages	151,500	13,000	5,000	58,000	227,500
Drilling	854,200				854,200
Cementing & Float Equip	201,000				201,000
Logging / Formation Evaluation		6,000			6,000
Mud Logging	19,450				19,450
Mud Circulation System	37,370				37,370
Mud & Chemicals	51,800	20,000			71,800
Mud / Wastewater Disposal	155,000				155,000
Freight / Transportation	15,000	12,000			27,000
Rig Supervision / Engineering	82,400	57,500	3,200	19,500	172,600
Drill Bits	72,000				72,000
Fuel & Power	69,300				69,300
Water	37,000	450,000			487,000
Drig & Completion Overhead	9,000	6,500			15,500
Plugging & Abandonment					
Directional Drilling, Surveys	180,000				180,000
Completion Unit, Swab, CTU		40,000	12,000		52,000
Perforating, Wireline, Slickline		87,000			87,000
High Pressure Pump Truck		42,000	10,500		52,500
Stimulation		1,710,000			1,710,000
Stimulation Flowback & Dsp		180,500	4,500		185,000
Insurance	24,943				24,943
Labor	87,500	9,000	6,000		102,500
Rental - Surface Equipment	40,050	103,055	1,000	3,500	148,005
Rental - Downhole Equipment	37,000	28,000			65,000
Rental - Living Quarters	44,570	25,570	1,000	1,300	72,440
Contingency	102,039	280,013	2,820	5,270	389,142
<b>TOTAL INTANGIBLES &gt;</b>	<b>2,142,822</b>	<b>3,080,138</b>	<b>48,020</b>	<b>80,970</b>	<b>6,359,949</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 35,450				\$ 35,450
Intermediate Casing	43,518				43,518
Drilling Liner	85,450				85,450
Production Casing	234,778				234,778
Production Liner					
Tubing			40,075		40,075
Wellhead	41,000		40,000		81,000
Packers, Liner Hangers	8,000	25,200			33,200
Tanks				120,000	120,000
Production Vessels			40,000	45,000	85,000
Flow Lines			48,000		48,000
Rod string					
Artificial Lift Equipment			45,000		45,000
Compressor					
Installation Costs			30,000	58,500	88,500
Surface Pumps			5,000		5,000
Non-controllable Surface				40,000	40,000
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation			65,500	14,000	79,500
Gas Conditioning / Dehydration					
Interconnecting Facility Piping					
Gathering / Bulk Lines				30,000	30,000
Valves, Dumps, Controllers					
Tank / Facility Containment				30,000	30,000
Flare Stack				20,000	20,000
Electrical / Grounding			30,000	7,000	37,000
Communications / SCADA					
Instrumentation / Safety			10,000		10,000
<b>TOTAL TANGIBLES &gt;</b>	<b>448,193</b>	<b>25,200</b>	<b>381,575</b>	<b>389,500</b>	<b>1,214,468</b>
<b>TOTAL COSTS &gt;</b>	<b>2,591,015</b>	<b>3,105,338</b>	<b>387,595</b>	<b>480,470</b>	<b>6,574,417</b>

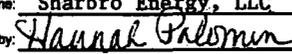
**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Patrick Welsh	Team Lead - WTX/NM	
Completions Engineer:	Matt Bell		
Production Engineer:	Rakesh Patel		

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, COO/CFO	VP - Res Engineering	VP - Drilling
DEL	BMR	BG
Executive VP, Legal	Exec Dir - Exploration	VP - Production
CA	NLF	TWG
President		
MVH		

**NON OPERATING PARTNER APPROVAL:**

Company Name:	Sharbro Energy, LLC	Working Interest (%):	3.670635%	Tax ID:	
Signed by:		Date:	4/24/17		
Title:	Attorney-in-Fact	Approval:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No (mark one)	

The owner of this AFE warrants and represents that it is the owner of the well and that it is the operator of the well. The owner of the well warrants and represents that it is the owner of the well and that it is the operator of the well. The owner of the well warrants and represents that it is the owner of the well and that it is the operator of the well.

## MRC Delaware Resources, LLC

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240  
Voice 972.371.5241 • Fax 214.866.4883  
[spryor@matadorresources.com](mailto:spryor@matadorresources.com)

---

**Sam Pryor**  
Senior Staff Landman

April 7, 2017

VIA CERTIFIED RETURN RECEIPT MAIL

Sharbro Energy LLC  
105 4th Street  
Artesia, NM 88210

Re: Cueva De Oro Fed #132H Participation Proposal  
SHL: NE4NW4 BHL: SE4SW4 of Section 21, Township 20 South, Range 29 East  
Eddy County, New Mexico

Dear Sharbro Energy LLC,

MRC Delaware Resources, LLC and its operating company Matador Production Company (collectively "MRC") propose the drilling of the Cueva De Oro 21 Fed #132H well (the "Well"), located in the E2W2 of Section 21, Township 20 South, Range 29 East, Eddy County, New Mexico, to test the Bone Spring formation. The estimated cost of drilling, testing, completing, and equipping the Well is \$6,574,417.00, as itemized on the enclosed Authority for Expenditure ("AFE") dated March 27, 2017.

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MRC is proposing to drill the Well under the terms of a modified 1989 AAPL form of Operating Agreement ("OA") covering 320 acres, being the W2 of Section 21, Township 20 South, Range 29 East, Eddy County, New Mexico covering all depths ("Contract Area") pursuant to the following terms:

- 100/300/300% Non-consent penalty
- \$7,000/\$700 Drilling and Producing overhead rate

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 along with your geological well requirements, the AFE, and the OA to the undersigned.

Sharbro Energy LLC will own approximately 3.670635% working interest in the Well, subject to title verification.

**BEFORE THE OIL CONSERVATION  
DIVISION**  
Santa Fe, New Mexico  
Exhibit No. 6  
Submitted by: **MATADOR PROD. CO.**  
Hearing Date: July 20, 2017

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.

Please contact me if you have any questions.

Sincerely,

MRC Delaware Resources, LLC

  
Sam Pryor

Enclosure(s)

Please elect one of the following and return to sender.

Sharbro Energy LLC hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Cueva De Oro 21 Fed #132H

Sharbro Energy LLC hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Cueva De Oro 21 Fed #132H

I / We are interested in selling our interest in the Contract Area, please contact us to discuss.

Sharbro Energy LLC

By: Hannah Palomin

Title: Attorney-in-Fact

Date: 4/24/17

# MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LEJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240

Phone (972) 371-8200 • Fax (972) 371-8201

## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	March 27, 2017	AFE NO.:	
WELL NAME:	Cueva De Oro 21 Fed #132H	FIELD:	Bone Spring
LOCATION:	E/ZW/2 Sec. 21, T20S-R29E	MD/TVD:	13,857' / 9,230'
COUNTY/STATE:	Eddy	LATERAL LENGTH:	4,634'
MRC Wt:			
GEOLOGIC TARGET:	3rd Bone Spring		
REMARKS:	Drill, complete, and equip a horizontal 3rd Bone Spring well with 15 stages.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	51,700				51,700
Location, Surveys & Damages	161,500	13,000	8,000	66,000	227,500
Drilling	654,200				654,200
Cementing & Float Equip	201,000				201,000
Logging / Formation Evaluation		6,000			6,000
Mud Logging	18,450				18,450
Mud Circulation System	37,370				37,370
Mud & Chemicals	51,800	20,000			71,800
Mud / Waste/steril Disposal	165,000				165,000
Freight / Transportation	15,000	12,000			27,000
Rig Supervision / Engineering	82,400	57,500	3,200	18,500	172,600
Drill Bits	72,000				72,000
Fuel & Power	69,300				69,300
Water	37,800	450,000			487,800
Orig & Completion Overhead	9,500	6,500			16,000
Plugging & Abandonment					
Directional Drilling, Surveys	190,000				190,000
Completion Unit, Wash, CTU		40,000	12,000		52,000
Perforating, Wireline, Slickline		97,000			97,000
High Pressure Pump Truck		42,000	10,500		52,500
Stimulation		1,710,000			1,710,000
Stimulation Flowback & Dip		180,500	4,500		185,000
Insurance	24,843				24,843
Labor	87,500	9,000	6,000		102,500
Rental - Surface Equipment	40,080	103,055	1,000	3,900	148,005
Rental - Downhole Equipment	37,000	28,000			65,000
Rental - Living Quarters	44,870	25,870	1,000	1,300	72,440
Contingency	102,038	280,013	2,820	6,270	393,142
<b>TOTAL INTANGIBLES &gt;</b>	<b>2,143,823</b>	<b>3,080,138</b>	<b>48,020</b>	<b>90,870</b>	<b>6,359,849</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	35,450				35,450
Intermediate Casing	43,618				43,618
Drilling Liner	85,450				85,450
Production Casing	234,778				234,778
Production Liner					
Tubing			40,075		40,075
Wellhead	41,000		40,000		81,000
Packers, Liner Hangers	8,000	25,200			33,200
Tanks				120,000	120,000
Production Vessels			40,000	45,000	85,000
Flow Lines			48,000		48,000
Rod string					
Artificial Lift Equipment			45,000		45,000
Compressor					
Installation Costs			30,000	58,500	88,500
Surface Pumps			5,000		5,000
Non-controllable Surface				40,000	40,000
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation			65,500	14,000	79,500
Gas Conditioning / Dehydration					
Interconnecting Facility Piping					
Gathering / Skuff Lines				30,000	30,000
Valves, Drains, Controllers					
Tank / Facility Containment				30,000	30,000
Flare Stack				20,000	20,000
Electrical / Grounding			30,000	7,000	37,000
Communications / SCADA					
Instrumentation / Safety			10,000	25,000	35,000
<b>TOTAL TANGIBLES &gt;</b>	<b>448,183</b>	<b>25,200</b>	<b>351,675</b>	<b>389,500</b>	<b>1,214,468</b>
<b>TOTAL COSTS &gt;</b>	<b>2,591,915</b>	<b>3,105,338</b>	<b>397,695</b>	<b>480,470</b>	<b>6,674,417</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer: Patrick Walsh	Team Lead - WTX/NM	
Completions Engineer: Matt Bell		
Production Engineer: Rakesh Patel		

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, COO/CFO	VP - Res Engineering	VP - Drilling
DEL	BMR	BG
Executive VP, Legal	Exec Dir - Exploration	VP - Production
CA	NLF	TWG
President		
MVH		

**NON OPERATING PARTNER APPROVAL:**

Company Name: <u>Sharbro Energy, LLC</u>	Working Interest (%): <u>3.670635%</u>	Tax ID: _____
Signed by: <u>Naimal Salomin</u>	Date: <u>4/24/17</u>	
Title: <u>Attorney-in-Fact</u>	Approval: <input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No (mark one)

This costs to drill AFE, non-operating partner and other costs are estimated and subject to change. The operator shall be responsible for the costs of the project. The operator shall be responsible for the costs of the project. The operator shall be responsible for the costs of the project. The operator shall be responsible for the costs of the project.

**Affidavit of Publication**

State of New Mexico,  
County of Eddy, ss.

**Danny Fletcher**, being first duly sworn, on oath says:

That he is the Publisher of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

July 5 2017

That the cost of publication is \$223.54 and that payment thereof has been made and will be assessed as court costs.

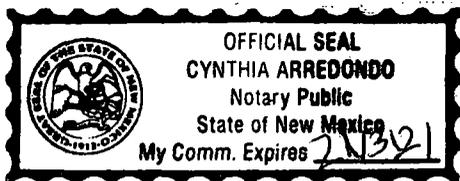
*[Signature]*

Subscribed and sworn to before me this 10 day of July, 2017

*[Signature]*

My commission Expires 2/13/21

Notary Public



July 5, 2017

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on July 20, 2017, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by July 11, 2017. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF  
NEW MEXICO TO:**

All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: Yates Energy Corp., and its successors, heirs and/or devisees; Sharbro Energy LLC, and its successors, heirs and/or devisees; Santo Legado LLC, and its successors, heirs and/or devisees; John A. Yates, and his successors, heirs and/or devisees; EOG Resources Assets LLC, and its successors, heirs and/or devisees; Pamela J. Burke, as Trustee of the Claire Ann Iverson Revocable Living Trust UTA dtd. November 22, 2005, and her successors, heirs and/or devisees; Pamela J. Burke, as Trustee of the Siegfried James Iverson, III Revocable Living Trust UTA dtd.

November 18, 2005, allocation of the cost and her successors, thereof as well as actual operating costs and/or charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12.7 miles northeast of Carlsbad, NM.

heirs and/or devisees; Marian Welch Pendergrass, and her successors, heirs and/or devisees; Van S. Welch II, and his successors, heirs and/or devisees; James Gray Welch, and his successors, heirs and/or devisees; Robert Welch Gillespie, and his successors, heirs and/or devisees; Erin L. Cofrin Revocable Trust, and her successors, heirs and/or devisees; Van P. Welch, Jr., and his successors, heirs and/or devisees; Phoebe Welch, and her successors, heirs and/or devisees; Bryan W. Welch, and his successors, heirs and/or devisees; Becky Panek, and her successors, heirs and/or devisees; Stacy Welch Green, and her successors, heirs and/or devisees; Saunders Thomas Welch, and his successors, heirs and/or devisees; Michael Irwin Welch, and his successors, heirs and/or devisees; Wendell Terry Welch, and his successors, heirs and/or devisees; and, Phoebe J. Welch, Trustee of the Phoebe J. Welch Trust dtd. July 27, 2006, and her successors, heirs and/or devisees.

**CASE 15744: Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 21, Township 20 South, Range 29 East, Eddy County, New Mexico and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Cueva De Oro Fed No. 131H Well, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 21. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the

**BEFORE THE OIL CONSERVATION  
DIVISION  
Santa Fe, New Mexico  
Exhibit No. 7  
Submitted by: MATADOR PROD. CO.  
Hearing Date: July 20, 2017**

**Affidavit of Publication**

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County of Eddy, ss.

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July 5 2017

That the cost of publication is **\$223.54** and that payment thereof has been made and will be assessed as court costs.

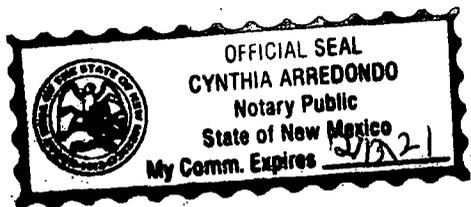
*[Signature]*

Subscribed and sworn to before me this 10 day of July, 2017

*[Signature]*

My commission Expires 2/13/21

Notary Public



July 5, 2017

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on July 20, 2017, in the Oil Conservation Division Hearing Room at 1220

South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by July 11, 2017. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF NEW MEXICO TO:**  
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November 18, 2005, and her successors, heirs and/or devisees; Marian Welch Pendergrass, and her successors, heirs and/or devisees; Van S. Welch II, and his successors, heirs and/or devisees; James Gray Welch, and his successors, heirs and/or devisees; Robert Welch Gillespie, and his successors, heirs and/or devisees; Erin L. Cofrin Revocable Trust, and her successors, heirs and/or devisees; Van P. Welch, Jr., and his successors, heirs and/or devisees; Phoebe Welch, and her successors, heirs and/or devisees; Bryan W. Welch, and his successors, heirs and/or devisees; Becky Panek, and her successors, heirs and/or devisees; Stacy Welch Green, and her successors, heirs and/or devisees; Saunders Thomas Welch, and his successors, heirs and/or devisees; Michael Irwin Welch, and his successors, heirs and/or devisees; Wendell Terry Welch, and his successors, heirs and/or devisees; and, Phoebe J. Welch, Trustee of the Phoebe J. Welch Trust dtd. July 27, 2006, and her successors, heirs and/or devisees.

CASE 15745: Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 21, Township 20 South, Range 29 East, Eddy County, New Mexico and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Cueva De Oro Fed No. 132H Well, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a standard bottom hole location in the SE/4 SW/4.

(Unit N) of Section 21. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12.7 miles northeast of Carlsbad, NM.

**BEFORE THE OIL CONSERVATION  
DIVISION**  
Santa Fe, New Mexico  
Exhibit No. 8  
Submitted by: MATADOR PROD. CO.  
Hearing Date: July 20, 2017