

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

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

Case No. 20245

VERIFIED STATEMENT OF CASSIE HAHN

Cassie Hahn, being duly sworn upon her oath, deposes and states:

1. My name is Cassie Hahn. I am employed by MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a landman. I have personal knowledge of the matters stated herein. I previously testified before the Division, and was qualified as an expert petroleum landman. I am familiar with the application filed by Matador in this matter and I am familiar with the status of the lands in the subject area.

2. The following information is submitted in support of the compulsory pooling application filed herein:

(a) A Midland Map plat outlining the unit being pooled is attached hereto as Attachment A. Matador seeks an order pooling all mineral interests in the Delaware Mountain Group underlying the W/2W/2 of Section 17, Township 25 South, Range 35 East, NMPM, to form a 160 acre horizontal spacing unit. The unit is dedicated to the Leslie Fed. Com. Well No. 021H, which will be drilled in the Brushy Canyon formation. The well unit is comprised of federal and fee lands. There are no depth severances in the Delaware Mountain Group.

(b) The well is a horizontal well, with a first take point in the SW/4SW/4 and a final take point in the NW/4NW/4 of Section 17. The Form C-102 describing the horizontal well path is attached hereto as Attachment B.

(c) The working interest owners and unleased mineral owners being pooled and their working interests in the well are set forth in Attachment C. The overriding royalty interest owner being pooled is set forth on Attachment C-1. Matador has the right to pool the other overriding royalty owners in the well.

EXHIBIT

/

(d) A typical copy of the proposal letters and Authority for Expenditure sent to the uncommitted working interest owners and unleased mineral owners is attached hereto as Attachment D.

(e) A copy of the Authority for Expenditure for the well is attached as the third page to Exhibit B. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other horizontal wells of this depth drilled in this area of Lea County.

(f) Matador has made a good faith effort to obtain the voluntary joinder of the working interest owners and unleased mineral owners in the proposed well. If Matador reaches voluntary agreement with any of the working interest owners or unleased mineral owners we will notify the Division, and they will not be subject to pooling.

(g) Pursuant to Division rules, Matador requests that a 200% risk charge be assessed against any non-consenting working interest owner or unleased mineral owner.


(h) Overhead charges of \$7,000/month for a drilling well, and \$700/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for wells of this depth. Applicant also requests that the order contain a provision adjusting the rates pursuant to the COPAS accounting procedure.

(i) Applicant requests that it be designated operator of the well.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)


Cassie Hahn, being duly sworn upon her oath, deposes and states that: she is authorized to make this verification on behalf of Matador Production Company; she has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of her knowledge, information, and belief.



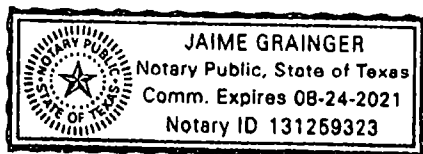
Cassie Hahn

SUBSCRIBED AND SWORN TO before me this 6th day of February, 2019 by
Cassie Hahn.

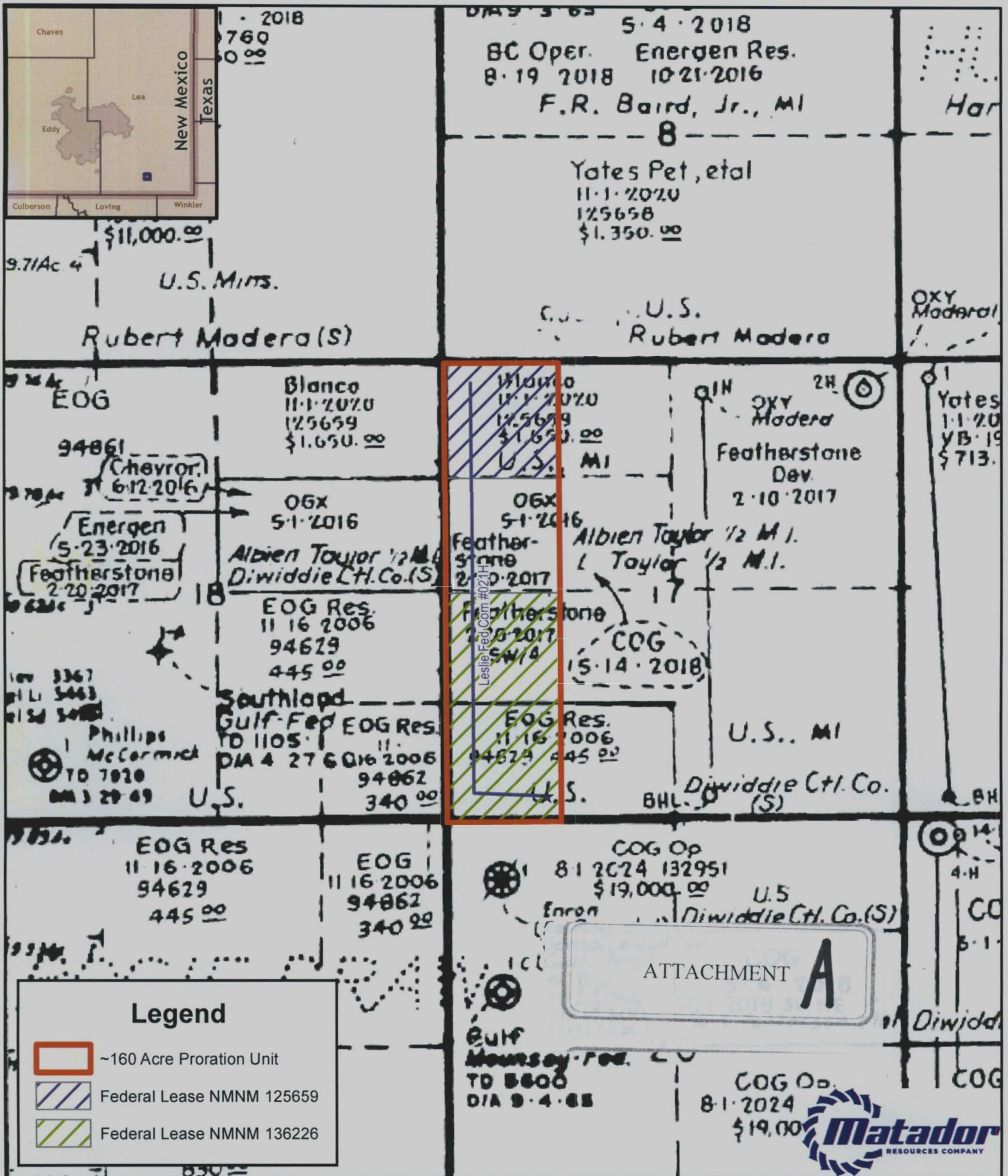
My Commission Expires: 8-24-2021



Notary Public



17-25S-35E



GIS Standard Map Disclaimer:
This cartographic product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the quality of the information.

1:18,000

1 inch = 1,500 feet

Southeast New Mexico

Date: January 7, 2019
Coordinate System: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
Projection: Transverse Mercator; Datum: North American 1983; Units: Foot US
Sources: IHS; ESRI;

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 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 30-025-44543		² Pool Code 97779		³ Pool Name Dogie Draw; Delaware	
⁴ Property Code		⁵ Property Name LESLIE FED COM			⁶ Well Number #021H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3313'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	25-S	35-E	-	295'	SOUTH	1102'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	17	25-S	35-E	-	100'	NORTH	330'	WEST	LEA

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code C	¹⁵ 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.

MATADOR
CASE 20245

LAST PERFORATION POINT/
BOTTOM HOLE LOCATION
NEW MEXICO EAST
NAD 1927
X=789971
Y=414918
LAT.: N 32.1372586
LONG.: W 103.3965466
NAD 1983
X=831158
Y=414976
LAT.: N 32.1373844
LONG.: W 103.3970132

FIRST PERFORATION POINT
NEW MEXICO EAST
NAD 1927
X=790011
Y=409837
LAT.: N 32.1232931
LONG.: W 103.3965608
NAD 1983
X=831198
Y=409895
LAT.: N 32.1234190
LONG.: W 103.3970266

SURFACE LOCATION
NEW MEXICO EAST
NAD 1927
X=790781
Y=410038
LAT.: N 32.1238273
LONG.: W 103.3940670
NAD 1983
X=831968
Y=410096
LAT.: N 32.1239533
LONG.: W 103.3945327

¹⁷OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete knowledge and belief, and that this organization either interest or unleased mineral interest in the land including a well location or a right to drill the well at this location is a contract with an owner of such a mineral or interest in a voluntary pooling agreement or a compulsory pooling agreement entered by the division.

Signature: *Cassie Hahn* Date: 12/26/2018
Printed Name: Cassie Hahn
E-mail Address: chahn@matadorresources.com

¹⁸SURVEYOR 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.

Date of Survey: 11/28/2018
Signature and Seal of Professional Surveyor: *MECHAM BROWN*
Certificate Number: 18329

ATTACHMENT B

District I
1625 N French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0730
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

API Number 20-025-75434		Pool Code 97704	Pool Name Wilson; Bone Spring, North
Property Code 727020	Property Name BRUCE KEPLINGER 13 STATE COM		Well Number #123H
GRID No. 228937	Operator Name MATADOR PRODUCTION COMPANY		Elevation 3668'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	13	21-S	34-E	-	188'	SOUTH	1471'	EAST	LEA

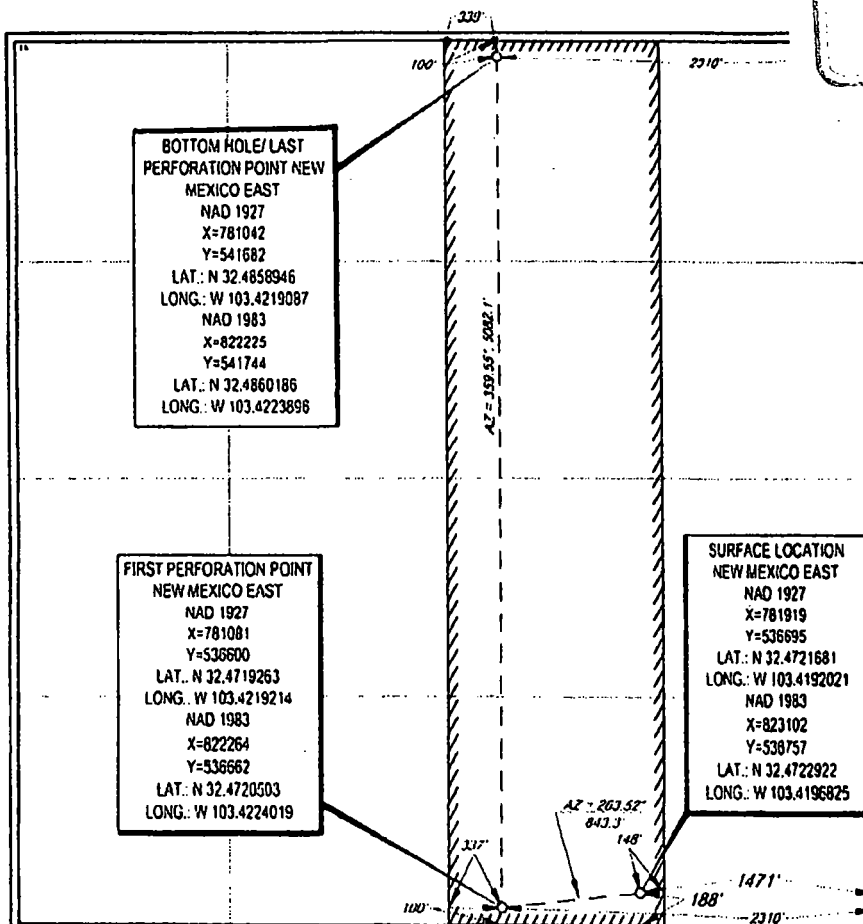
¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	13	21-S	34-E	-	100'	NORTH	2310'	EAST	LEA

Dedicated Acres 160	Joint or Infill N	Consolidation Code	Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a

ATTACHMENT **B**



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.

Signature: **Nicholas Weeks** Date: **12/18/2018**

Printed Name: **NICHOLAS WEEKS**

E-mail Address: **NWEEKS@MATADORRESOURCES.COM**

¹⁸SURVEYOR 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.

Date of Survey: **12/18/2018**
Signature of Surveyor: **NICHOLAS WEEKS**
Surveyor's Seal: **18329**
Certificate Number: **18329**

Summary of Interests

MRC Permian Company Working Interest		77.521874%
Voluntary Joinder		14.979168%
Compulsory Pool Interest Total:		7.498958%
Interest Owner:	Description:	Interest:
Diamondback Energy, Inc.	Uncommitted Working Interest Owner	3.515625%
Marathon Oil Permian, LLC	Uncommitted Working Interest Owner	1.562500%
Franklin Mountain Energy 2, LLC	Uncommitted Working Interest Owner	2.083333%
TD Minerals LLC	Unleased Interest Owner	.275000%
Ohio State University	Unleased Interest Owner	.062500%

ATTACHMENT **C**



EXHIBIT C-1
OVERRIDING ROYALTY INTEREST OWNER BEING POOLED

1. Santo Petroleum, LLC

ATTACHMENT **C-1**

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5481 • Fax 214.866.4981
nweeks@matadorresources.com

Nicholas Weeks
Landman

October 22, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

Wilson Oil Company, Ltd.
P.O. Box 1297
Santa Fe, NM 87504

Re: Bruce Keplinger 13 State Com #123H Participation Proposal
SW/4SE/4 (FTP) Section 13, T21S, R35E
NW/4NE/4 (LTP) Section 13, T21S, R35E
Lea County, New Mexico

ATTACHMENT

D

Wilson Oil Company, Ltd.,

MRC Permian Company and its operating company, Matador Production Company, (collectively "MRC") propose the drilling of the Bruce Keplinger 13 State Com #123H (the "Well"), located in the W/2E/2 of Section 13, Township 21 South, Range 35 East, Lea County, New Mexico, to test the Bone Spring formation. The estimated cost of drilling, testing, completing, and equipping the Well is \$8,241,488.00 as itemized on the enclosed Authority for Expenditure ("AFE") dated August 18, 2018.

The Well will be drilled to a total vertical depth of 10,100' and a total measured depth of 15,420', producing a treatable lateral of approximately 4,620' within the Bone Spring formation.

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.

MRC is proposing to drill the Well under the terms of a modified 1989 AAPL form of Operating Agreement dated October 1, 2018, a copy of which will follow under separate cover. The Operating Agreement will cover the W/2E/2 of Section 13, Township 21 South, Range 35 East, Lea County, New Mexico, limited to those depths within the Bone Spring formation ("Contract Area") pursuant to the following terms:

- 100/300/300% Non-consent penalty
- \$7,500/\$750 Drilling and Producing overhead rate

Wilson Oil Company, Ltd. will own approximately 3.125000% 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 along with your geological well requirements and the signed AFE to the undersigned within thirty (30) days. MRC intends to make application to the Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by

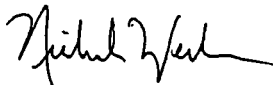
electing to participate in the Well, each working interest owner shall be responsible for its proportionate share of all costs incurred.

If an agreement cannot be reached within thirty (30) days of the date of this letter, MRC will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a horizontal spacing unit for the proposed well.

Please contact me if you have any questions.

Sincerely,

MRC Permian Company



Nicholas Weeks

Enclosure(s)

Please elect one of the following and return to sender.

_____ Wilson Oil Company, Ltd. hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Bruce Keplinger 13 State Com #123H well.

_____ Wilson Oil Company, Ltd. hereby elects **not** to participate for its proportionate share of the costs detailed in the enclosed AFE associated with the Bruce Keplinger 13 State Com #123H well.

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

Wilson Oil Company, Ltd.

By: _____

Title: _____

Date: _____

MATADOR PRODUCTION COMPANY

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

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

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	August 18, 2018	AFE NO.:	
WELL NAME:	Bruce Keplinger 13 State Com #123H	FIELD:	
LOCATION:	Section 13-21S-35E	MD/TVD:	15,420/10,100'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	4,620'
MRC Wt:			
GEOLOGIC TARGET:	2nd Bone Spring		
REMARKS:	Drill, complete and equip a horizontal 2nd Bone Spring well		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 96,500				\$ 96,500
Location, Surveys & Damages	160,500	13,000	4,000	50,000	227,500
Drilling	812,500				812,500
Cementing & Float Equip	262,000				262,000
Logging / Formation Evaluation		6,500			6,500
Mud Logging	15,375				15,375
Mud Circulation System	48,413				48,413
Mud & Chemicals	50,000	35,000			85,000
Mud / Wastewater Disposal	135,000				135,000
Freight / Transportation	18,000	15,000			33,000
Rig Supervision / Engineering	117,300	85,200	6,000	28,800	237,300
Drill Bits	98,000				98,000
Fuel & Power	127,500				127,500
Water	92,000	482,500			574,500
Drig & Completion Overhead	10,250	24,000			34,250
Plugging & Abandonment					
Directional Drilling, Surveys	174,250				174,250
Completion Unit, Swab, CTU		98,000	9,000		107,000
Perforating, Wireline, Silckline		127,500			127,500
High Pressure Pump Truck		104,000			104,000
Stimulation		1,824,000			1,824,000
Stimulation Flowback & Dis		208,000	168,000		376,000
Insurance	26,496				26,496
Labor	123,500	64,000	8,000		195,500
Rental - Surface Equipment	66,318	285,700	3,000	4,000	359,018
Rental - Downhole Equipment	76,500	42,000		7,000	125,500
Rental - Living Quarters	42,950	37,220		2,000	82,170
Contingency	127,568	110,717	3,000		241,284
Real Time Operations	22,038				
TOTAL INTANGIBLES >	2,700,956	3,562,337	201,000	91,800	6,534,055
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 79,454				\$ 79,454
Intermediate Casing	177,773				177,773
Drilling Liner					
Production Casing	272,106				272,106
Production Liner					
Tubing			60,600		60,600
Wellhead	50,000		10,000		60,000
Packers, Liner Hangers		56,400			56,400
Tanks				96,000	96,000
Production Vessels			57,000	59,750	116,750
Flow Lines			25,000		25,000
Rod string					
Artificial Lift Equipment			180,000		180,000
Compressor				15,000	15,000
Installation Costs			30,000	128,000	158,000
Surface Pumps					
Non-controllable Surface	350		3,500		3,850
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation				65,000	65,000
Gas Conditioning / Dehydration					
Interconnecting Facility Piping				135,000	135,000
Gathering / Bulk Lines				30,000	30,000
Valves, Dumps, Controllers				8,000	8,000
Tank / Facility Containment				35,000	35,000
Flare Stack				30,000	30,000
Electrical / Grounding			8,500	10,000	18,500
Communications / SCADA			2,500	15,000	17,500
Instrumentation / Safety			7,500	60,000	67,500
TOTAL TANGIBLES >	579,683	56,400	384,600	888,750	1,707,433
TOTAL COSTS >	3,280,639	3,618,737	685,600	778,550	8,241,488

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Patrick Walsh
 Completions Engineer: Matt Bell
 Production Engineer: Rakesh Patel

Team Lead - WTX/NM

[Signature]

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO: DEL
 Executive VP, Legal: CA
 President: MVH
 VP - Res Engineering: BMR
 Exec Dir - Exploration: NLF

ATTACHMENT *E*

NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be approved as a condition of the well or the well's completion. This AFE is subject to the well's completion. The Partner's agreement to pay its proportionate share of actual costs incurred, including but not limited to, completion costs, is a condition of the well's completion. The Partner's agreement to pay its proportionate share of actual costs incurred, including but not limited to, completion costs, is a condition of the well's completion. The Partner's agreement to pay its proportionate share of actual costs incurred, including but not limited to, completion costs, is a condition of the well's completion.

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

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

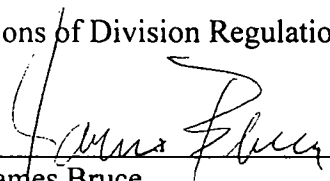
Case No. 20245

AFFIDAVIT OF NOTICE

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

James Bruce, being duly sworn upon his oath, deposes and states:

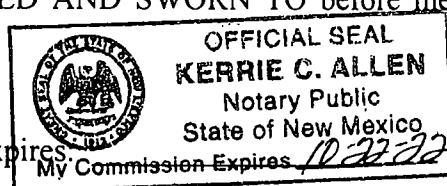
1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Matador Production Company.
3. Matador Production Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owners, at their correct addresses, by certified mail. Copies of the notice letters and certified return receipts are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Regulations.

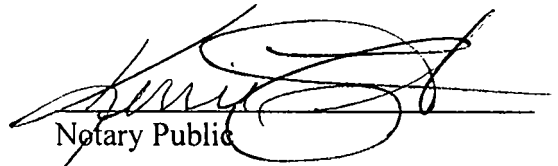


James Bruce

SUBSCRIBED AND SWORN TO before me this 6th day of February, 2019 by
James Bruce.

My Commission Expires





Notary Public

EXHIBIT

2

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

January 17, 2019

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

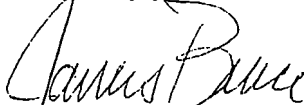
Ladies and gentlemen:

Enclosed is an application for compulsory pooling, filed with the New Mexico Oil Conservation Division by Matador Production Company, regarding a Delaware well in the W/2W/2 of Section 17, Township 25 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

This matter is **re-scheduled** for hearing at 8:15 a.m. on Thursday, February 7, 2019, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, January 31, 2019. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,



James Bruce

Attorney for Matador Production Company



EXHIBIT A

GGM Exploration, Inc.
Suite 200
420 Throckmorton
Fort Worth, Texas 76102

TD Minerals LLC
Suite 900
8110 Westchester Drive
Dallas, Texas 75225

The Ohio State University
2003 Millikin Road
Columbus, Ohio 42310

OneEnergy Partners Operating, LLC
Suite 200
2929 Allen Parkway
Houston, Texas 77019

Marathon Oil Permian LLC
5555 San Felipe Street
Houston, Texas 77056

Prime Rock Resources AssetCo, LLC
Suite 1000
203 West Wall Street
Midland, Texas 79701

Santo Petroleum, LLC
Suite 690
Two Allen Center
1200 Smith Street
Houston, Texas 77002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

OneEnergy Partners Operating, LLC
Suite 200
2929 Allen Parkway
Houston, Texas 77019

9590 9402 4583 8278 4727 14

2. Article Number (Transfer from service label)

7018 2290 0000 3428 8828

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

Mat 04

COMPLETE THIS SECTION ON DELIVERY

A. Signature [Signature] ☒ Agent ☐ Addressee

B. Received by (Printed Name) BLANCHE C. Date of Delivery 8/12/14

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

☐ Adult Signature ☐ Priority Mail Express®

☐ Adult Signature Restricted Delivery ☐ Registered Mail™

☐ Certified Mail® ☐ Registered Mail Restricted Delivery

☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise

☐ Collect on Delivery ☐ Signature Confirmation™

☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

TD Minerals LLC
Suite 900
8110 Westchester Drive
Dallas, Texas 75225

9590 9402 4583 8278 4727 38

7018 2290 0000 3428 8842

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

Mat 04

COMPLETE THIS SECTION ON DELIVERY

A. Signature [Signature] ☒ Agent ☐ Addressee

B. Received by (Printed Name) BLANCHE C. Date of Delivery 8/12/14

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

☐ Adult Signature ☐ Priority Mail Express®

☐ Adult Signature Restricted Delivery ☐ Registered Mail™

☐ Certified Mail® ☐ Registered Mail Restricted Delivery

☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise

☐ Collect on Delivery ☐ Signature Confirmation™

☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery

OneEnergy Partners Operating, LLC

Suite 200
2929 Allen Parkway
Houston, Texas 77019

9590 9402 4583 8278 4727 38

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TD Minerals LLC

Suite 900

8110 Westchester Drive

Dallas, Texas 75225

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OneEnergy Partners Operating, LLC

Suite 200

2929 Allen Parkway

Houston, Texas 77019

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 Suite 690
 Two Allen Center
 1200 Smith Street
 Houston, Texas 77002

2. Article Number (Transfer from service label)
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4. Article Addressed to:
 Santo Petroleum, LLC
 Suite 690
 Two Allen Center
 1200 Smith Street
 Houston, Texas 77002

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☐ Adult Signature Restricted Delivery \$
 Postage \$

Total Postage and Fees \$
 Sent To Prime Rock Resources AssetCo, LLC
 Suite 1000
 203 West Wall Street
 Midland, Texas 79701
 Street and Apt. No., or PO Box, or PC
 City, State, ZIP+4®

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1. Article Addressed to:
 Prime Rock Resources AssetCo, LLC
 Suite 1000
 203 West Wall Street
 Midland, Texas 79701
 Street and Apt. No., or PO Box, or PC
 City, State, ZIP+4®

2. Article Number (Transfer from service label)
 9590 9402 4583 8278 8477

3. Service Type
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☐ Collect on Delivery
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☐ Signature Confirmation Restricted Delivery

4. Article Addressed to:
 Prime Rock Resources AssetCo, LLC
 Suite 1000
 203 West Wall Street
 Midland, Texas 79701
 Street and Apt. No., or PO Box, or PC
 City, State, ZIP+4®

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A. Signature ☐ Agent
☒ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

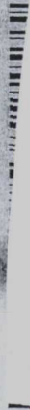
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1. Article Addressed to:

The Ohio State University
2003 Millikin Road
Columbus, Ohio 42310



9590 9402 4583 8278 4727 21

2. Article Number (Transfer from service label)

7018 2290 0000 3428 8835

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A. Signature X Agent ☒ Address ☐
B. Received by (Printed Name) ALI DANAKA C. Date of Delivery 1-24-19
D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

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Postage \$

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2003 Millikin Road

Street and Apt. No., or PO

Columbus, Ohio 42310

City, State, ZIP+4®

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See Reverse for Instructions

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Marathon Oil Permian LLC
5555 San Felipe Street
Houston, Texas 77056

9590 9402 4583 8278 4727 07

2. Article Number (Transfer from previous label)

7018 2290 0000 3428 8811

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
B. Received by (Printed Name) C. Date of Delivery
Richard Vargas 12/4/19
D. Is delivery address different from item 1? ☐ Yes ☐ No
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☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery
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☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$
Postage \$

Postmark Here

Total Postage and Fees \$

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5555 San Felipe Street
Houston, Texas 77056
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PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage \$	
Total Postage and Fees \$	
Sent To GGM Exploration, Inc.	
Suite 200	
420 Throckmorton	
Street and Apt. No., or PO Box Fort Worth, Texas 76102	
City, State, ZIP+4®	

Postmark
Here

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SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>1. Article Addressed to:</p> <p>Complete items 1, 2, and 3.</p> <p>Print your name and address on the reverse so that we can return the card to you.</p> <p>Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>GGM Exploration, Inc. Suite 200 420 Throckmorton Fort Worth, Texas 76102</p>		<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>2. Article</p> <p>9590 9402 4583 8278 4727 45</p> <p>7018 2290 0000 3428 8559</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>	

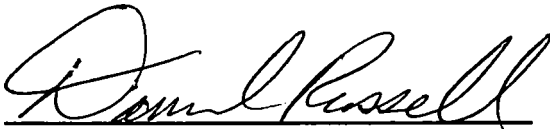
Max 021

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

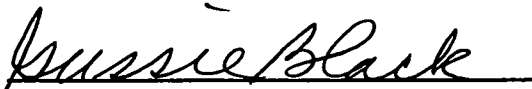
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
January 20, 2019
and ending with the issue dated
January 20, 2019.



Publisher

Sworn and subscribed to before me this
20th day of January 2019.

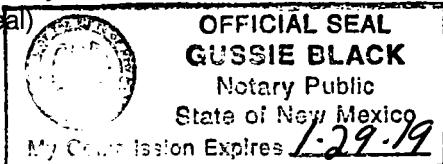


Business Manager

My commission expires

January 29, 2019

(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL NOTICE JANUARY 20, 2019

To: GGM Exploration, Inc., TD Minerals LLC, The Ohio State University, OneEnergy Partners Operating, LLC, Marathon Oil Permian LLC, Prime Rock Resources AssetCo, LLC, and Santo Petroleum, LLC, or your successors or assigns: Matador Production Company has filed an application with the New Mexico Oil Conservation Division seeking and order pooling all mineral interests in the Delaware formation underlying a 160-acre horizontal spacing unit comprised of the W/2W/2 of Section 17, Township 25 South, Range 35 East, NMPM. The unit will be dedicated to the Lessee Fed. Com. Well No. 021H, a horizontal well with a first take point in the SW/4SW/4 and a final take point in the NW/4NW/4 of Section 17. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The application is scheduled to be heard at 8:15 a.m. on Thursday, February 7, 2019 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well unit, you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. The unit is located approximately 11-1/2 miles west-northwest of Jal, New Mexico.
#33647

EXHIBIT 3

01101711

00223549

JAMES BRUCE
JAMES BRUCE, ATTORNEY AT LAW
P.O. BOX 1056
SANTA FE, NM 87504

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

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

Case No. 20245

VERIFIED STATEMENT OF ANDREW PARKER

COUNTY OF DALLAS)
) ss.
STATE OF TEXAS)

Andrew Parker, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.

2. I am employed by MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a geologist, and I am familiar with the geological matters involved in this case. I have previously testified before the Division and been qualified by the Division as an expert petroleum geologist.

3. The following geological plats are attached hereto:

(a) Attachment A is a locator map for the well.

(b) Attachment B is a structure map on top of the Bone Spring Lime. It shows that the structure dips gently to the west. The spacing unit is shown in yellow. It also shows a cross-section reference line from A to A' using three wells that penetrate the Delaware Mountain Group, which I consider to be representative of the geology of the area in the target formation.

(c) Attachment C is the cross section of A to A' referenced in Attachment B. The well logs on the cross-section give a representative depiction of the Brushy Canyon formation within the Delaware Mountain Group in this area. The target zone for the well is within the Brushy Canyon formation and is highlighted in yellow. The target zone is continuous across the well unit.

4. I conclude from these exhibits that:

(a) The horizontal spacing unit is justified from a geologic standpoint.



(b) Each quarter-quarter section in the unit will contribute more or less equally to production.

(c) There is no faulting or other geologic impediment on the area which will affect the drilling of the subject well.

5. There are very few wells in the Brushy Canyon formation in the area, but those that are also show a preference for standup units. In my opinion, the north to south orientation of the proposed well in the Brushy Canyon formation is appropriate in order to effectively drain the targeted reservoir and is the preferred orientation based on the stress regime observed in the area.

6. Attachment D is a wellbore schematic. The producing interval of the proposed well will be orthodox under current Division rules.

7. Matador's attached Exhibits Nos. A-D were either prepared by me or compiled under my direction and supervision.

8. In my opinion, the granting of Matador's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)

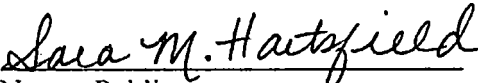
Andrew Parker, being duly sworn upon his oath, deposes and states that: He is authorized to make this verification on behalf of Matador Production Company; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.



Andrew Parker

SUBSCRIBED AND SWORN TO before me this 6th day of February, 2019 by
Andrew Parker.

My Commission Expires: 8-6-2019



Notary Public



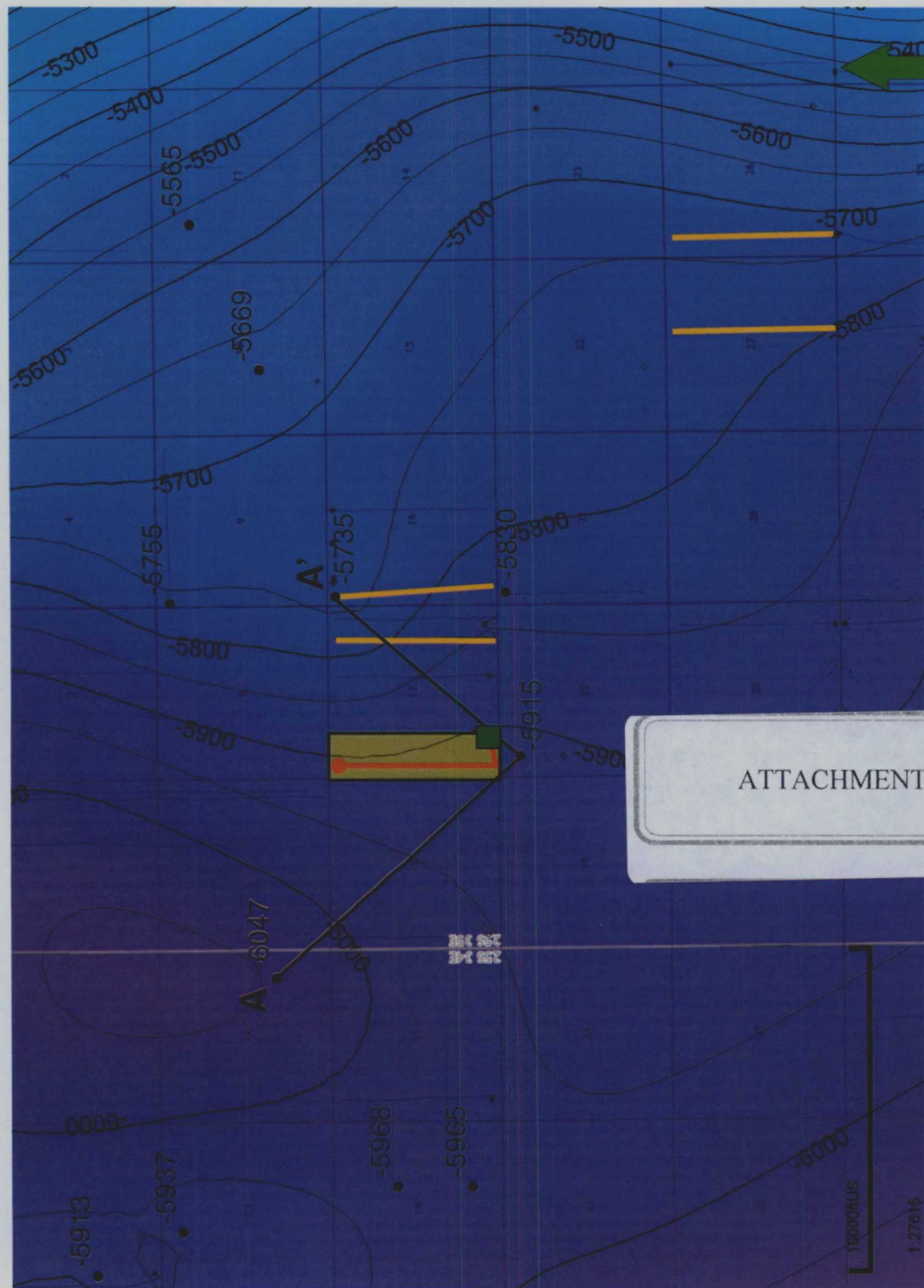
Dogie Draw; Delaware (Pool Code 97779) Locator Map



ATTACHMENT A



Dogie Draw; Delaware (Pool Code 97779) Structure Map (Top Bone Spring Lime Subsea)



Map Legend

Leslie 021H



Project Area



Brushy Canyon
Producers



C. I. = 50'



ATTACHMENT 13

A



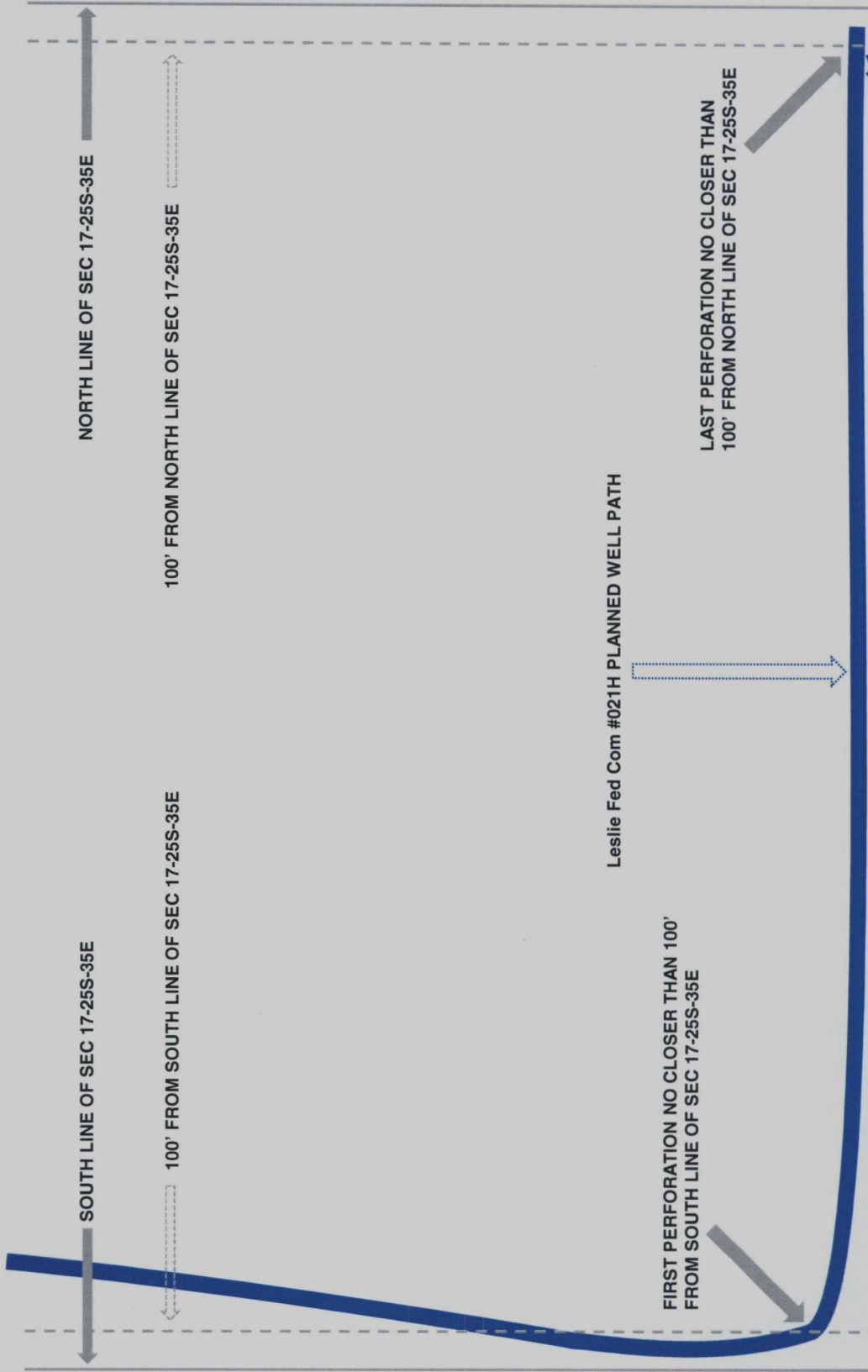
Leslie 021H
Target



Dogie Draw; Delaware (Pool Code 97779)
Leslie Fed Com #021H

DIAGRAM NOT DRAWN TO SCALE

Leslie Fed Com #021H
SURFACE HOLE 295' FSL 1102' FWL OF SEC 17-25S-35E



ATTACHMENT D



Leslie Fed Com #021H