

20736

DEC 23 2019 PM02:19

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice 972.371.5202 • Fax 214.866.4802

kperkins@matadorresources.com

Kyle Perkins
Operations and Regulatory Counsel

December 20, 2019

Kathleen Murphy
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Itemized Schedule of Estimated Costs
Case No. 20736
Order No. R- 20966

Dear Ms. Murphy:

Pursuant to Paragraph 10 of Order No. R-20966, Matador Production Company hereby submits the following itemized schedule of estimated costs for its Ray State Com 36&25-23S-28E #224H well:

	Intangible	Tangible
Drilling	\$3,539,739	\$1,048,326
Completion	\$6,503,753	\$134,400
Production	\$527,019	\$614,975
Total Intangible	\$10,570,511	
Total Tangible		\$1,797,701
Total	\$12,368,212	

Thank you, and please contact me with any questions.

Sincerely,



Kyle Perkins

cc:florene.davidson@state.nm.us

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:	November 7, 2019	AFE NO.:	500000 841 01 001 R1
WELL NAME:	Ray 36&25-23S-28E RB 224H	FIELD:	
LOCATION:	Section 36&25-23S-28E	MD/TVD:	21300'/10780'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	About 9800
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp		
REMARKS:	Drill and complete a horizontal Wolfcamp well with about 64 stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 51,500	\$	\$ 50,000	\$	\$ 101,500
Location, Surveys & Damages	139,500	13,000	25,000	10,000	187,500
Drilling	1,034,142				1,034,142
Cementing & Float Equip	239,000				239,000
Logging / Formation Evaluation	-	6,500	3,000		9,500
Flowback - Labor			81,540		81,540
Flowback - Surface Rentals			69,750		69,750
Flowback - Rental Living Quarters			-		-
Mud Logging	38,350				38,350
Mud Circulation System	81,150				81,150
Mud & Chemicals	208,650	80,000	6,000		294,650
Mud / Wastewater Disposal	160,000	-		-	160,000
Freight / Transportation	42,000	46,500		-	88,500
Rig Supervision / Engineering	192,000	133,800	16,500	10,800	353,100
Drill Bits	88,000				88,000
Drill Bit Purchase					-
Fuel & Power	157,500	-		-	157,500
Water	62,500	923,000	2,000	-	987,500
Drig & Completion Overhead	17,500	30,000		-	47,500
Plugging & Abandonment	-				-
Directional Drilling, Surveys	268,828				268,828
Completion Unit, Swab, CTU	-	150,000	20,000		170,000
Perforating, Wireline, Slickline	-	411,000	-		411,000
High Pressure Pump Truck	-	110,000	6,000	-	116,000
Stimulation	-	3,776,000			3,776,000
Stimulation Flowback & Disp	-	12,400	139,500		151,900
Insurance	32,490				32,490
Labor	169,500	38,250	15,000	5,000	227,750
Rental - Surface Equipment	160,375	350,550	10,000	7,500	528,425
Rental - Downhole Equipment	131,500	120,000		-	251,500
Rental - Living Quarters	75,200	54,775	-	5,000	134,975
Contingency	152,429	247,978	44,429	-	444,835
MaxCom	37,625				37,625
TOTAL INTANGIBLES >	3,539,739	6,503,753	488,719	38,300	10,570,510
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 22,153	\$	\$	\$	\$ 22,153
Intermediate Casing	97,842				97,842
Drilling Liner	373,395				373,395
Production Casing	459,536				459,536
Production Liner	-				-
Tubing	-		183,750		183,750
Wellhead	95,000		25,000		120,000
Packers, Liner Hangers	-	134,400	6,000		140,400
Tanks	-		-	7,700	7,700
Production Vessels	-			28,525	28,525
Flow Lines	-				-
Rod string	-		-		-
Artificial Lift Equipment	-		35,000		35,000
Compressor	-			15,000	15,000
Installation Costs	-		-	30,000	30,000
Surface Pumps	-		5,000	10,000	15,000
Non-controllable Surface	400		-	-	400
Non-controllable Downhole	-		-		-
Downhole Pumps	-		-		-
Measurement & Meter Installation	-		10,000	107,000	117,000
Gas Conditioning / Dehydration	-		-	-	-
Interconnecting Facility Piping	-		-	60,000	60,000
Gathering / Bulk Lines	-		-	-	-
Valves, Dumps, Controllers	-		-	-	-
Tank / Facility Containment	-		-	10,000	10,000
Flare Stack	-		-	20,000	20,000
Electrical / Grounding	-		2,000	30,000	32,000
Communications / SCADA	-		5,000	-	5,000
Instrumentation / Safety	-			25,000	25,000
TOTAL TANGIBLES >	1,048,326	134,400	271,750	343,225	1,797,701
TOTAL COSTS >	4,588,065	6,638,153	760,469	381,525	12,368,211

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Jordan Ellington
Completions Engineer: Garrett Hunt
Production Engineer: Kyle Christy
Team Lead - WTX/NM **LTE**
WTE

MATADOR RESOURCES COMPANY APPROVAL:

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

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 construed as ceilings on any specific item or the total cost of the project. Tubing install also 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, curative, regulatory, brokerage 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 billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of send

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Kyle Perkins
Operations and Regulatory Counsel

December 20, 2019

Kathleen Murphy
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Itemized Schedule of Estimated Costs
Case No. 20736
Order No. R- 20966

Dear Ms. Murphy:

Pursuant to Paragraph 10 of Order No. R-20966, Matador Production Company hereby submits the following itemized schedule of estimated costs for its Ray State Com 36&25-23S-28E #223H well:

	Intangible	Tangible
Drilling	\$3,539,739	\$1,048,326
Completion	\$6,503,753	\$134,400
Production	\$629,719	\$699,005
Total Intangible	\$10,673,211	
Total Tangible		\$1,881,731
Total	\$12,554,942	

Thank you, and please contact me with any questions.

Sincerely,



Kyle Perkins

cc:florene.davidson@state.nm.us

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:	November 7, 2019	AFE NO.:	500000 840 01 001 R1
WELL NAME:	Ray 36&25-23S-28E RB 223H	FIELD:	
LOCATION:	Section 36&25-23S-28E	MD/TVD:	20847'/10780'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	About 9800
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp		
REMARKS:	Drill and complete a horizontal Wolfcamp well with about 64 stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 51,500	\$	\$ 50,000	\$ 25,000	\$ 126,500
Location, Surveys & Damages	139,500	13,000	25,000	25,000	202,500
Drilling	1,034,142				1,034,142
Cementing & Float Equip	239,000				239,000
Logging / Formation Evaluation	-	6,500	3,000		9,500
Flowback - Labor			81,540		81,540
Flowback - Surface Rentals			69,750		69,750
Flowback - Rental Living Quarters			-		-
Mud Logging	38,350				38,350
Mud Circulation System	81,150				81,150
Mud & Chemicals	208,650	80,000	6,000		294,650
Mud / Wastewater Disposal	160,000	-		-	160,000
Freight / Transportation	42,000	46,500		-	88,500
Rig Supervision / Engineering	192,000	133,800	15,000	10,800	351,600
Drill Bits	88,000				88,000
Drill Bit Purchase					-
Fuel & Power	157,500	-		-	157,500
Water	62,500	923,000	2,000	-	987,500
Drig & Completion Overhead	17,500	30,000		-	47,500
Plugging & Abandonment	-				-
Directional Drilling, Surveys	268,828				268,828
Completion Unit, Swab, CTU	-	150,000	20,000		170,000
Perforating, Wireline, Slickline	-	411,000	-		411,000
High Pressure Pump Truck	-	110,000	6,000	-	116,000
Stimulation	-	3,776,000			3,776,000
Stimulation Flowback & Disp	-	12,400	195,000		207,400
Insurance	32,490				32,490
Labor	169,500	38,250	15,000	5,000	227,750
Rental - Surface Equipment	160,375	350,550	10,000	7,500	528,425
Rental - Downhole Equipment	131,500	120,000	3,000	-	254,500
Rental - Living Quarters	75,200	54,775	-	5,000	134,975
Contingency	152,429	247,978	50,129	-	450,535
MaxCom	37,625				37,625
TOTAL INTANGIBLES >	3,539,739	6,503,753	551,419	78,300	10,673,210

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 22,153	\$	\$	\$	\$ 22,153
Intermediate Casing	97,842				97,842
Drilling Liner	373,395				373,395
Production Casing	459,536				459,536
Production Liner	-				-
Tubing	-		173,400		173,400
Wellhead	95,000		25,000		120,000
Packers, Liner Hangers	-	134,400	6,000		140,400
Tanks	-		-	37,080	37,080
Production Vessels	-			28,525	28,525
Flow Lines	-				-
Rod string	-		-		-
Artificial Lift Equipment	-		35,000		35,000
Compressor	-			25,000	25,000
Installation Costs	-		-	24,000	24,000
Surface Pumps	-		5,000	19,250	24,250
Non-controllable Surface	400		-	-	400
Non-controllable Downhole	-		-		-
Downhole Pumps	-		-		-
Measurement & Meter Installation	-		10,000	111,500	121,500
Gas Conditioning / Dehydration	-		-	-	-
Interconnecting Facility Piping	-		-	85,000	85,000
Gathering / Bulk Lines	-		-	-	-
Valves, Dumps, Controllers	-		-	-	-
Tank / Facility Containment	-		-	20,000	20,000
Flare Stack	-		-	25,000	25,000
Electrical / Grounding	-		2,000	3,500	5,500
Communications / SCADA	-		5,000	-	5,000
Instrumentation / Safety	-			58,750	58,750
TOTAL TANGIBLES >	1,048,326	134,400	261,400	437,605	1,881,731
TOTAL COSTS >	4,588,065	6,638,153	812,819	515,905	12,554,941

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Jordan Ellington
Completions Engineer: Garrett Hunt
Production Engineer: Luis Servin

Team Lead - WTX/NM WTE
WTE

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO DEL
Executive VP, Legal CA
President MVH

VP - Res Engineering BMR
Exec Dir - Exploration NLF

VP - Drilling BG
VP - Production GS

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 construed as ceilings on any specific item or the total cost of the 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, curative regulatory, brokerage 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 billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spud.

Matador Production Company

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Kyle Perkins
Operations and Regulatory Counsel

December 20, 2019

Kathleen Murphy
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Itemized Schedule of Estimated Costs
Case No. 20736
Order No. R- 20966

Dear Ms. Murphy:

Pursuant to Paragraph 10 of Order No. R-20966, Matador Production Company hereby submits the following itemized schedule of estimated costs for its Ray State Com 36&25-23S-28E #217H well:

	Intangible	Tangible
Drilling	\$3,154,775	\$995,222
Completion	\$5,799,753	\$134,400
Production	\$626,419	\$679,355
Total Intangible	\$9,580,947	
Total Tangible		\$1,808,977
Total	\$11,386,924	

Thank you, and please contact me with any questions.

Sincerely,



Kyle Perkins

cc:florene.davidson@state.nm.us

MATADOR PRODUCTION COMPANY

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

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	November 7, 2019	AFE NO.:	500000 839.01 001 R1
WELL NAME:	Ray 36&25-23S-28E RB 217H	FIELD:	
LOCATION:	Section 36&25-23S-28E	MD/TVD:	20350'/9900'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	About 9800
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp A		
REMARKS:	Drill and complete a horizontal Wolfcamp well with about 64 stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 51,500	\$	\$ 50,000	\$ 25,000	\$ 126,500
Location, Surveys & Damages	119,500	13,000	25,000	25,000	182,500
Drilling	891,763				891,763
Cementing & Float Equip	239,000				239,000
Logging / Formation Evaluation	-	6,500	3,000		9,500
Flowback - Labor			81,540	5,000	86,540
Flowback - Surface Rentals			69,750	7,500	77,250
Flowback - Rental Living Quarters			-	5,000	5,000
Mud Logging	30,550				30,550
Mud Circulation System	70,060				70,060
Mud & Chemicals	186,000	80,000	6,000		272,000
Mud / Wastewater Disposal	155,000	-		-	155,000
Freight / Transportation	34,800	46,500		-	81,300
Rig Supervision / Engineering	163,200	133,800	15,000	10,800	322,800
Drill Bits	88,000				88,000
Drill Bit Purchase					-
Fuel & Power	130,500	-		-	130,500
Water	62,500	923,000	2,000	-	987,500
Drig & Completion Overhead	14,500	30,000		-	44,500
Plugging & Abandonment	-				-
Directional Drilling, Surveys	279,268				279,268
Completion Unit, Swab, CTU	-	150,000	20,000		170,000
Perforating, Wireline, Slickline	-	411,000	-		411,000
High Pressure Pump Truck	-	110,000	6,000	-	116,000
Stimulation	-	3,072,000			3,072,000
Stimulation Flowback & Disp	-	12,400	195,000		207,400
Insurance	32,490				32,490
Labor	151,500	38,250	15,000		204,750
Rental - Surface Equipment	115,275	350,550	10,000		475,825
Rental - Downhole Equipment	106,593	120,000		-	226,593
Rental - Living Quarters	65,750	54,775	-		120,525
Contingency	135,852	247,978	49,829	-	433,658
MaxCom	31,175				31,175
TOTAL INTANGIBLES >	3,154,775	5,799,753	548,119	78,300	9,580,947

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 20,009	\$	\$	\$	\$ 20,009
Intermediate Casing	96,238				96,238
Drilling Liner	325,227				325,227
Production Casing	458,348				458,348
Production Liner	-				-
Tubing	-		153,750		153,750
Wellhead	95,000		25,000		120,000
Packers, Liner Hangers	-	134,400	6,000		140,400
Tanks	-		-	37,080	37,080
Production Vessels	-			28,525	28,525
Flow Lines	-				-
Rod string	-		-		-
Artificial Lift Equipment	-		35,000		35,000
Compressor	-			25,000	25,000
Installation Costs	-		-	24,000	24,000
Surface Pumps	-		5,000	19,250	24,250
Non-controllable Surface	400		-	-	400
Non-controllable Downhole	-		-		-
Downhole Pumps	-		-		-
Measurement & Meter Installation	-		10,000	111,500	121,500
Gas Conditioning / Dehydration	-		-	-	-
Interconnecting Facility Piping	-		-	85,000	85,000
Gathering / Bulk Lines	-		-	-	-
Valves, Dumps, Controllers	-		-	-	-
Tank / Facility Containment	-		-	20,000	20,000
Flare Stack	-		-	25,000	25,000
Electrical / Grounding	-		2,000	3,500	5,500
Communications / SCADA	-		5,000	-	5,000
Instrumentation / Safety	-			58,750	58,750
TOTAL TANGIBLES >	995,222	134,400	241,750	437,605	1,808,977
TOTAL COSTS >	4,149,997	5,934,153	789,869	515,905	11,389,923

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	JD Harknider	Team Lead - WTX/NM	<u>LTE</u>
Completions Engineer:	Garrett Hunt		WTE
Production Engineer:	Jan Mosnes		

MATADOR RESOURCES COMPANY APPROVAL:

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

NON OPERATING PARTNER APPROVAL:

Company Name:	Working Interest (%)	Tax ID:
Signed by:	Date:	
Title:	Approval <u>Yes</u> <u>No</u> (mark one)	

The costs on this AFE are estimates only and may not be considered as ceilings on any specific item or the total cost of the 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, curative, regulatory, brokerage 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 billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of signat

DEC 23 2019 PM 02:20

Matador Production Company

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kperkins@matadorresources.com

Kyle Perkins
Operations and Regulatory Counsel

December 20, 2019

Kathleen Murphy
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Itemized Schedule of Estimated Costs
Case No. 20736
Order No. R- 20966

Dear Ms. Murphy:

Pursuant to Paragraph 10 of Order No. R-20966, Matador Production Company hereby submits the following itemized schedule of estimated costs for its Ray State Com 36&25-23S-28E #204H well:

	Intangible	Tangible
Drilling	\$3,060,588	\$1,009,613
Completion	\$5,799,753	\$134,400
Production	\$588,619	\$597,475
Total Intangible	\$9,448,960	
Total Tangible		\$1,741,488
Total	\$11,190,448	

Thank you, and please contact me with any questions.

Sincerely,



Kyle Perkins

cc:florene.davidson@state.nm.us

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240
Phone (972) 371-5200 • Fax (972) 371-5201

DATE:	November 7, 2019	AFE NO.:	500000 838.01.001 R1
WELL NAME:	Ray 36&25-23S-28E RB 204H	FIELD:	
LOCATION:	Section 36&25-23S-28E	MD/TVD:	20200'/9750'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	About 9800
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp A		
REMARKS:	Drill and complete a horizontal Wolfcamp well with about 64 stages		

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 22,153	\$	\$	\$	\$ 22,153
Intermediate Casing	99,446				99,446
Drilling Liner	348,990				348,990
Production Casing	443,624				443,624
Production Liner	-				-
Tubing	-		166,250		166,250
Wellhead	95,000		25,000		120,000
Packers, Liner Hangers	-	134,400	6,000		140,400
Tanks	-		-	7,700	7,700
Production Vessels	-			28,525	28,525
Flow Lines	-		-		-
Rod string	-		-		-
Artificial Lift Equipment	-		35,000		35,000
Compressor	-			15,000	15,000
Installation Costs	-		-	30,000	30,000
Surface Pumps	-		5,000	10,000	15,000
Non-controllable Surface	400		-	-	400
Non-controllable Downhole	-		-		-
Downhole Pumps	-				-
Measurement & Meter Installation	-		10,000	107,000	117,000
Gas Conditioning / Dehydration			-	-	-
Interconnecting Facility Piping			-	60,000	60,000
Gathering / Bulk Lines			-	-	-
Valves, Dumps, Controllers			-	-	-
Tank / Facility Containment			-	10,000	10,000
Flare Stack			-	20,000	20,000
Electrical / Grounding			2,000	30,000	32,000
Communications / SCADA			5,000	-	5,000
Instrumentation / Safety				25,000	25,000
TOTAL TANGIBLES >	1,009,613	134,400	254,250	343,225	1,741,488
TOTAL COSTS >	4,070,201	5,934,153	804,569	381,525	11,190,448

Drilling Engineer:	JD Harkrider	Team Lead - WTX/NM	<u>LTE</u>
Completions Engineer:	Jackson Driggs		WTE
Production Engineer:	Kyle Christy		

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

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 conclusive as callings on any specific item or the total cost of the project. Taking installation approval 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, curative, regulatory, brokerage 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 billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of sign.

DEC 23 2019 PM02:20

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice 972.371.5202 • Fax 214.866.4802

kperkins@matadorresources.com

Kyle Perkins
Operations and Regulatory Counsel

December 20, 2019

Kathleen Murphy
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Itemized Schedule of Estimated Costs
Case No. 20736
Order No. R- 20966

Dear Ms. Murphy:

Pursuant to Paragraph 10 of Order No. R-20966, Matador Production Company hereby submits the following itemized schedule of estimated costs for its Ray State Com 36&25-23S-28E #203H well:

	Intangible	Tangible
Drilling	\$3,112,304	\$995,352
Completion	\$5,799,753	\$134,400
Production	\$644,019	\$681,580
Total Intangible	\$9,556,075.00	
Total Tangible		\$1,811,332
Total	\$11,367,407	

Thank you, and please contact me with any questions.

Sincerely,



Kyle Perkins

cc:florene.davidson@state.nm.us

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:	November 7, 2019	AFE NO.:	500000.837.01.001.R1
WELL NAME:	Ray 36&25-23S-28E RB 203H	FIELD:	
LOCATION:	Section 36&25-23S-28E	MD/TVD:	19893/9715'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	About 9800
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp A		
REMARKS:	Drill and complete a horizontal Wolfcamp well with about 64 stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 51,500	\$ -	\$ 50,000	\$ 25,000	\$ 126,500
Location, Surveys & Damages	139,500	13,000	25,000	25,000	202,500
Drilling	870,167				870,167
Cementing & Float Equip	239,000				239,000
Logging / Formation Evaluation	-	6,500	3,000		9,500
Flowback - Labor			81,540		81,540
Flowback - Surface Rentals			69,750		69,750
Flowback - Rental Living Quarters			-		-
Mud Logging	28,600				28,600
Mud Circulation System	67,920				67,920
Mud & Chemicals	170,950	80,000	6,000		256,950
Mud / Wastewater Disposal	155,000	-		-	155,000
Freight / Transportation	33,600	46,500		-	80,100
Rig Supervision / Engineering	158,400	133,800	15,000	10,800	318,000
Drill Bits	88,000				88,000
Drill Bit Purchase					-
Fuel & Power	138,600	-		-	138,600
Water	62,500	923,000	2,000	-	987,500
Drig & Completion Overhead	14,000	30,000		-	44,000
Plugging & Abandonment	-				-
Directional Drilling, Surveys	256,216				256,216
Completion Unit, Swab, CTU	-	150,000	20,000		170,000
Perforating, Wireline, Slickline	-	411,000	-		411,000
High Pressure Pump Truck	-	110,000	6,000	-	116,000
Stimulation	-	3,072,000			3,072,000
Stimulation Flowback & Disp	-	12,400	208,000		220,400
Insurance	32,490				32,490
Labor	151,500	38,250	15,000	5,000	209,750
Rental - Surface Equipment	111,300	350,550	10,000	7,500	479,350
Rental - Downhole Equipment	100,581	120,000	3,000	-	223,581
Rental - Living Quarters	64,175	54,775	-	5,000	123,950
Contingency	148,205	247,978	51,429	-	447,611
MaxCom	30,100				30,100
TOTAL INTANGIBLES >	3,112,304	5,799,753	565,719	78,300	9,556,075
TANGIBLE COSTS					
Surface Casing	\$ 20,009	\$ -	\$ -	\$ -	\$ 20,009
Intermediate Casing	96,238				96,238
Drilling Liner	347,656				347,656
Production Casing	436,050				436,050
Production Liner	-				-
Tubing	-		155,975		155,975
Weilhead	95,000		25,000		120,000
Packers, Liner Hangers	-	134,400	6,000		140,400
Tanks	-		-	37,080	37,080
Production Vessels	-			28,525	28,525
Flow Lines	-				-
Rod string	-				-
Artificial Lift Equipment	-		35,000		35,000
Compressor	-			25,000	25,000
Installation Costs	-			24,000	24,000
Surface Pumps	-		5,000	19,250	24,250
Non-controllable Surface	400		-	-	400
Non-controllable Downhole	-		-		-
Downhole Pumps	-		-		-
Measurement & Meter Installation	-		10,000	111,500	121,500
Gas Conditioning / Dehydration	-		-	-	-
Interconnecting Facility Piping	-		-	85,000	85,000
Gathering / Bulk Lines	-		-	-	-
Valves, Dumps, Controllers	-		-	-	-
Tank / Facility Containment	-		-	20,000	20,000
Flare Stack	-		-	25,000	25,000
Electrical / Grounding	-		2,000	3,500	5,500
Communications / SCADA	-		5,000	-	5,000
Instrumentation / Safety	-		-	58,750	58,750
TOTAL TANGIBLES >	995,352	134,400	243,975	437,605	1,811,332
TOTAL COSTS >	4,107,656	5,934,153	809,694	515,905	11,367,407

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Jordan Ellington	Team Lead - WTX/NM	<u>WTE</u>
Completions Engineer:	Garrett Hunt		WTE
Production Engineer:	Luis Servin		

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	GS
President		
MVH		

NON OPERATING PARTNER APPROVAL:

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

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