



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT  
New Mexico State Office  
301 Dinosaur Trail  
Santa Fe, New Mexico 87508  
[www.blm.gov/new-mexico](http://www.blm.gov/new-mexico)

In Reply Refer To:  
NMNM142865  
3105.2 (NM920)

**MAR 10 2021**

**Reference:**

Communitization Agreement  
Jack Sleeper 201H, 215H, 221H  
Section 9: W2  
Section 16: W2  
T. 23 S., R. 28 E., N.M.P.M.  
Eddy County, NM

Matador Production Company  
Attn: Jaimie Grainger  
5400 LBJ Freeway, Ste. 1500  
Dallas, TX 75240

Jaimie Grainger:

Enclosed is an approved copy of Communitization Agreement NMNM142865 involving 160 acres of Federal land in lease NMNM 018038, 160 acres of Fee Land, and 320 acres of State land, in Eddy County, New Mexico, which comprise a 640 acre well spacing unit.

The agreement communitizes all rights to the oil and gas producible from the Wolfcamp formation beneath the W2 of Secs. 9 and 12, T. 23 S., R. 28 E., NMPM, Eddy County, NM, and is effective June 19, 2019. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Elizabeth Rivera at (505) 954-2162.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,



Sheila Mallory  
Deputy State Director  
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

NMSO (NM925, File)

NM STATE LAND COMM.

Determination - Approval - Certification

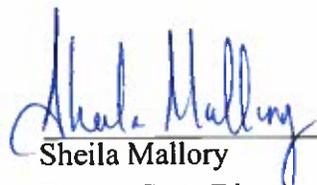
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
  
- B. Approve the attached Communitization Agreement covering the W2W2 of W2 of Secs. 9 and 12, T. 23 S., R. 28 E., NMPM, as to all producible oil and gas from the Wolfcamp formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: **MAR 10 2021**

  
\_\_\_\_\_  
Sheila Mallory  
Deputy State Director  
Division of Minerals

Effective: June 19, 2019

Contract No.: Com. Agr. NMNM142865

Submit To Appropriate District Office  
Two Copies  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-105  
Revised April 3, 2017

1. WELL API NO.  
30-015-46131
2. Type of Lease  
 STATE  FEE  FED/INDIAN
3. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

4. Reason for filing:  
 COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only)  
 C-144 CLOSURE ATTACHMENT (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC)

5. Lease Name or Unit Agreement Name  
JACK SLEEPER STATE COM 9 16 23S 28E
6. Well Number:  
201H

RECEIVED  
MAR 20 2020

7. Type of Completion:  
 NEW WELL  WORKOVER  DEEPENING  PLUGBACK  DIFFERENT RESERVOIR  OTHER

8. Name of Operator  
MATADOR PRODUCTION COMPANY

9. OGRID  
228937

EMNRD-00DARTES

10. Address of Operator  
5400 LBJ FREEWAY STE 1500, DALLAS, TX 75240

11. Pool name or Wildcat  
PURPLE SAGE; WOLFCAMP(GAS)

12. Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County
Surface:	M	4	23S	28E		197	S	126	W	EDDY
BH:	M	16	23S	28E		241	S	351	W	EDDY

13. Date Spudded: 07/13/19  
14. Date T.D. Reached: 08/28/19  
15. Date Rig Released: 08/31/19  
16. Date Completed (Ready to Produce): 01/19/2020  
17. Elevations (DF and RKB, RT, GR, etc.): 3014' GR
18. Total Measured Depth of Well: 9,483'/19,892'  
19. Plug Back Measured Depth: 19,892'  
20. Was Directional Survey Made?: Y  
21. Type Electric and Other Logs Run: GAMMA

22. Producing Interval(s), of this completion - Top, Bottom, Name  
9,970' - 19748'; Wolfcamp

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
Surf: 13.38	J/55 54.5#	400	17.5	505 1.34 C	0
Int1: 9.625	J/55 40.0#	2500	12.25	1035 1.33 C	0
Int2: 7.625	P110 29.7#	9664	8.75	587 1.63 H	0
Prod: 5.5	P110 20.0#	19892	6.75	704 1.56 H	0

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number)  
9,970 - 19748'; 48 stages 8 clusters per, 13 holes @ 0.40"
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.  
DEPTH INTERVAL: 9,970 - 19,748  
AMOUNT AND KIND MATERIAL USED: 27,504,390 lbs sand - fracture treated

PRODUCTION

28. Date First Production 01/19/2020		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing			Well Status (Prod. or Shut-in) Prod.		
Date of Test 01/30/2020	Hours Tested 24	Choke Size 40/64	Prod'n For Test Period	Oil - Bbl 1006	Gas - MCF 2947	Water - Bbl. 6411	Gas - Oil Ratio 2929
Flow Tubing Press.	Casing Pressure 2125	Calculated 24-Hour Rate	Oil - Bbl. 1006	Gas - MCF 2947	Water - Bbl. 6411	Oil Gravity - API - (Corr.) 48.0	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)  
Sold
30. Test Witnessed By  
Mark Villanueva

31. List Attachments  
C-102 & PLAT, DS, LOG (online)

32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.
33. Rig Release Date:

34. If an on-site burial was used at the well, report the exact location of the on-site burial:

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature: Ava Monroe  
Printed Name: Ava Monroe  
Title: Sr. Regulatory Analyst  
Date: 3/17/20

E-mail Address: amonroe@matadorresources.com







District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

**RECEIVED**  
State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION  
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**

<sup>1</sup> API Number <b>30-015-46131</b>		<sup>2</sup> Pool Code <b>98220</b>		<sup>3</sup> Pool Name <b>PURPLE SAGE; WOLFCAMP (GAS)</b>	
<sup>4</sup> Property Code <b>325764</b>		<sup>5</sup> Property Name <b>JACK SLEEPER STATE COM 9 &amp; 16-23S-28E</b>			<sup>6</sup> Well Number <b>201H</b>
<sup>7</sup> OGRID No. <b>228937</b>		<sup>8</sup> Operator Name <b>MATADOR PRODUCTION COMPANY</b>			<sup>9</sup> Elevation <b>3014'</b>

<sup>10</sup>Surface Location

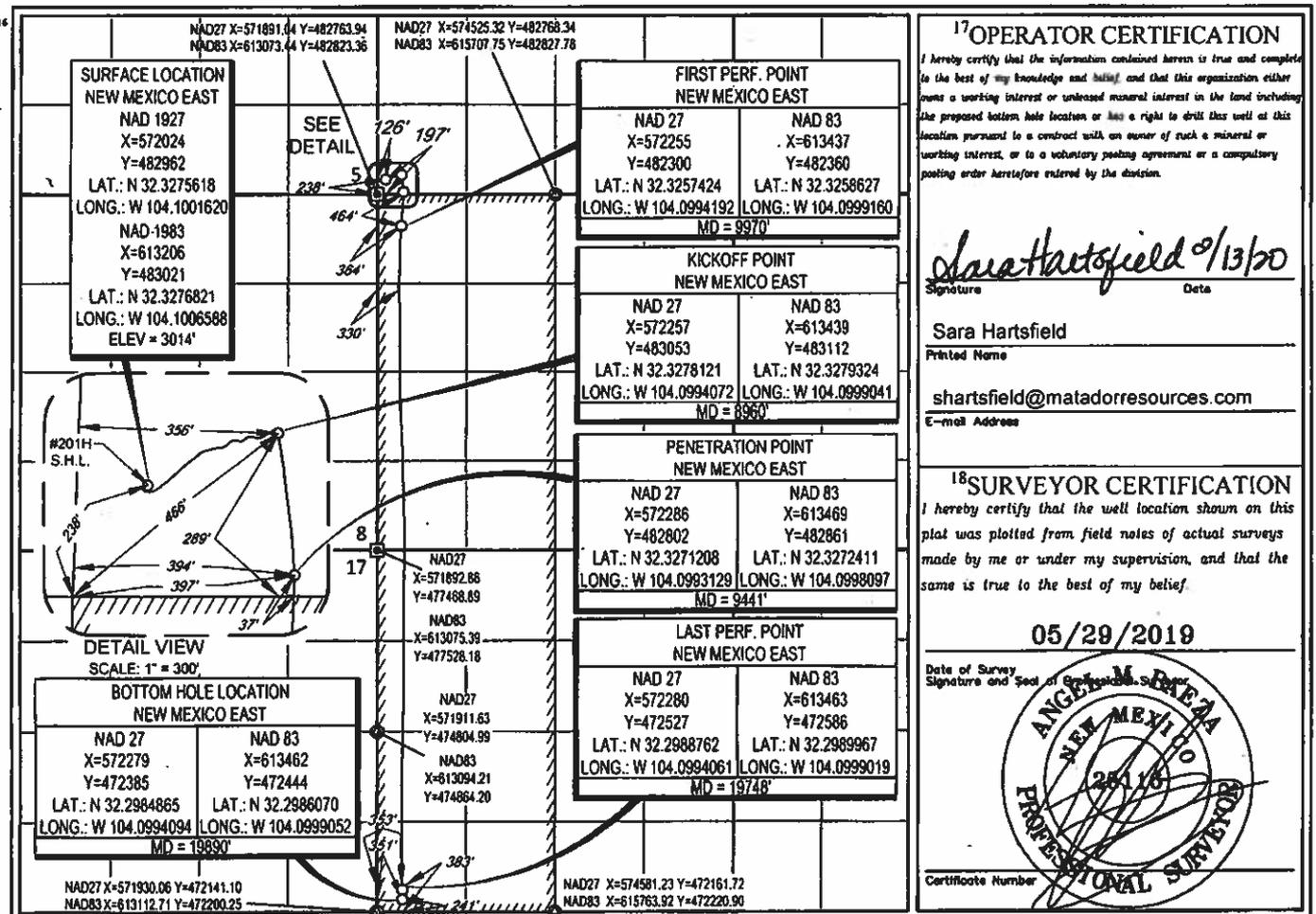
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>4</b>	<b>23-S</b>	<b>28-E</b>	<b>-</b>	<b>197</b>	<b>SOUTH</b>	<b>126'</b>	<b>WEST</b>	<b>EDDY</b>

<sup>11</sup>Bottom 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>M</b>	<b>16</b>	<b>23-S</b>	<b>28-E</b>	<b>-</b>	<b>241'</b>	<b>SOUTH</b>	<b>351'</b>	<b>WEST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres <b>640</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



SCALE 1" = 1000'  
500' 1000'

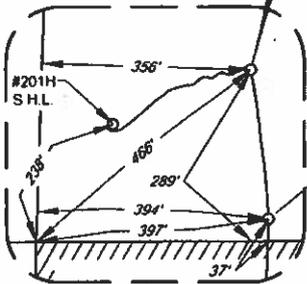
SECTION 4, TOWNSHIP 23-S, RANGE 28-E, N.M.P.M.  
EDDY COUNTY, NEW MEXICO

**SURFACE LOCATION  
NEW MEXICO EAST**  
NAD 1927  
X=572024  
Y=482962  
LAT.: N 32.3275618  
LONG.: W 104.1001620  
NAD 1983  
X=613206  
Y=483021  
LAT.: N 32.3276821  
LONG.: W 104.1006588  
ELEV = 3014'

**KICKOFF POINT  
NEW MEXICO EAST**  
NAD 1927  
X=572257  
Y=483053  
LAT.: N 32.3278121  
LONG.: W 104.0994072  
NAD 1983  
X=613439  
Y=483112  
LAT.: N 32.3279324  
LONG.: W 104.0999041  
MD = 8960'

**PENETRATION POINT  
NEW MEXICO EAST**  
NAD 1927  
X=572286  
Y=482802  
LAT.: N 32.3271208  
LONG.: W 104.0993129  
NAD 1983  
X=613469  
Y=482861  
LAT.: N 32.3272411  
LONG.: W 104.0998097  
MD = 9441'

**FIRST PERF. POINT  
NEW MEXICO EAST**  
NAD 1927  
X=572255  
Y=482300  
LAT.: N 32.3257424  
LONG.: W 104.0994192  
NAD 1983  
X=613437  
Y=482360  
LAT.: N 32.3258627  
LONG.: W 104.0999160  
MD = 9970'



**BOTTOM HOLE LOCATION  
NEW MEXICO EAST**  
NAD 1927  
X=572279  
Y=472385  
LAT.: N 32.2984865  
LONG.: W 104.0994094  
NAD 1983  
X=613462  
Y=472444  
LAT.: N 32.2986070  
LONG.: W 104.0999052  
MD = 19890'

**LAST PERF. POINT  
NEW MEXICO EAST**  
NAD 1927  
X=572280  
Y=472527  
LAT.: N 32.2988762  
LONG.: W 104.0994061  
NAD 1983  
X=613463  
Y=472586  
LAT.: N 32.2989967  
LONG.: W 104.0999019  
MD = 19748'

LEASE NAME & WELL NO.: JACK SLEEPER STATE COM 9 & 16-23S-28E 201H  
SECTION 4 TWP 23-S RGE 28-E SURVEY N.M.P.M.  
COUNTY EDDY STATE NM ELEVATION 3014'  
DESCRIPTION 197' FSL & 126' FWL



**TOPOGRAPHIC**  
LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140  
TELEPHONE: (817) 744-7512 • FAX (817) 744-7554  
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705  
TELEPHONE: (432) 882-1853 OR (800) 767-1653 • FAX (432) 882-1743  
WWW.TOPOGRAPHIC.COM



Angel M. Baeza, P.S. No. 25116  
JANUARY 29, 2020

<b>JACK SLEEPER 9 &amp; 16-23S-28E 201H</b>	REVISION:	
	DATE:	01/29/20
	FILE:	NO JACK SLEEPER STATE COM 9 & 16S-28E 201H
	DRAWN BY:	A.M.D.
	SHEET:	1 OF 1

- NOTES:
1. ORIGINAL DOCUMENT SIZE: 8.5" X 11"
  2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET
  3. THIS WELL LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

RECEIVED

MAR 20 2020

EMNRD-OCDARTESIA

Intent  As Drilled

API #  
30-015-46131

Operator Name: MATADOR PRODUCTION COMPANY	Property Name: JACK SLEEPER STATE COM 9 16 23S 28E	Well Number 201H
--	--	---------------------

Kick Off Point (KOP)

UL M	Section 4	Township 23S	Range 28E	Lot	Feet 289	From N/S S	Feet 356	From E/W W	County EDDY
Latitude N 32.3258627					Longitude W 104.0999160			NAD 83	

First Take Point (FTP)

UL D	Section 9	Township 23S	Range 28E	Lot	Feet 464	From N/S N	Feet 364	From E/W W	County EDDY
Latitude N 32.3258627					Longitude W 104.0999160			NAD 83	

Last Take Point (LTP)

UL M	Section 16	Township 23S	Range 28E	Lot	Feet 383	From N/S S	Feet 353	From E/W W	County EDDY
Latitude N 32.2989967					Longitude W 104.099901			NAD 83	

Is this well the defining well for the Horizontal Spacing Unit?  Y

Is this well an infill well?  N

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #	Operator Name:	Property Name:	Well Number

KZ 06/29/2018



**RECEIVED**

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  
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District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
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State of New Mexico  
Energy, Minerals & Natural Resources **FEB 14 2020**  
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

**EMNRD-OCD ARTESIA**

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-46131		<sup>2</sup> Pool Code 98220		<sup>3</sup> Pool Name PURPLE SAGE;WOLFCAMP (GAS)	
<sup>4</sup> Property Code 325764		<sup>5</sup> Property Name JACK SLEEPER STATE COM 9 & 16-23S-28E			<sup>6</sup> Well Number 201H
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3014'

<sup>10</sup>Surface Location

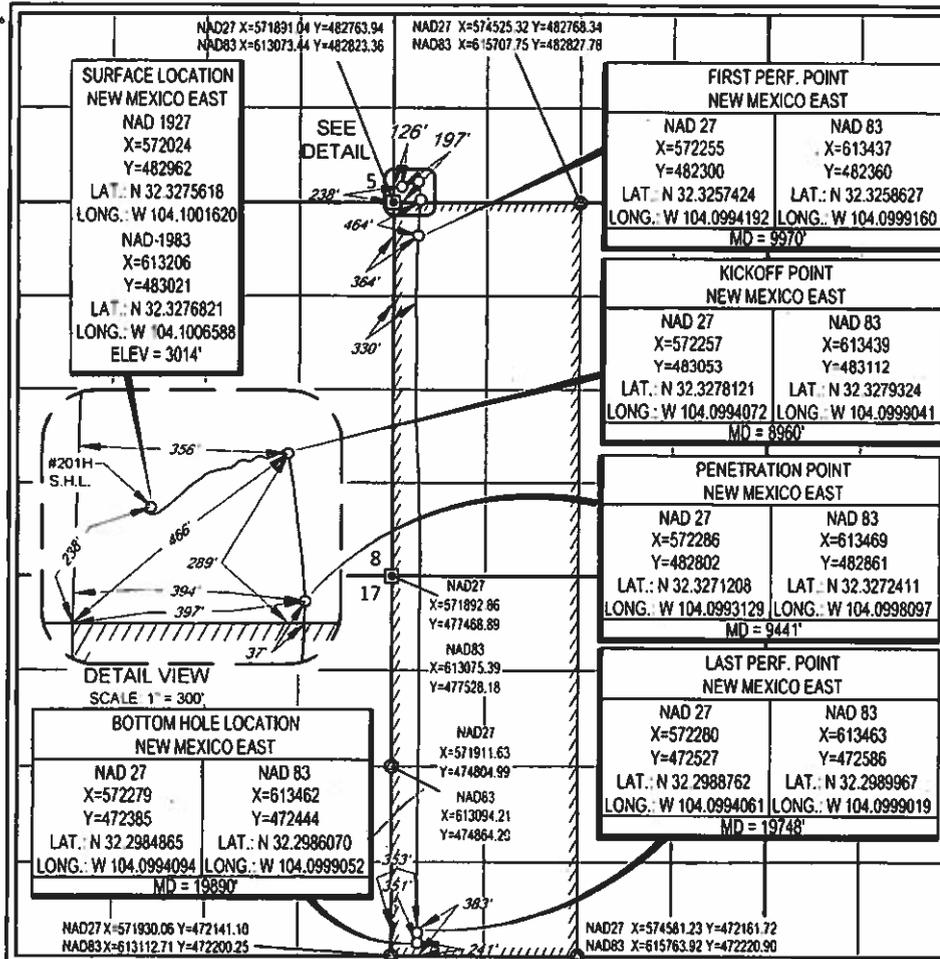
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	4	23-S	28-E	-	197	SOUTH	126'	WEST	EDDY

<sup>11</sup>Bottom 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
M	16	23-S	28-E	-	241'	SOUTH	351'	WEST	EDDY

<sup>12</sup> Dedicated Acres 640	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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.



**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 organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Sara Hartsfield* 05/13/20  
Signature Date

Sara Hartsfield  
Printed Name

shartsfield@matadorresources.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.

05/29/2019

Date of Survey  
Signature and Seal of Registered Professional Surveyor

**ANGEL M. BREA**  
NEW MEXICO  
PROFESSIONAL SURVEYOR  
25118

Certificate Number

*Ref 4-9-2020*

SCALE 1" = 1000'

0' 500' 1000'

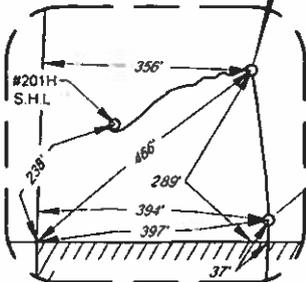
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LEASE NAME & WELL NO.: JACK SLEEPER STATE COM 9 & 16-23S-28E 201H  
SECTION 4 TWP 23-S RGE 28-E SURVEY N.M.P.M.  
COUNTY EDDY STATE NM ELEVATION 3014'  
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TELEPHONE: (432) 882-1853 OR (800) 787-1853 - FAX (432) 682-1743  
WWW.TOPOGRAPHIC.COM



Angel M. Baeza, P.S. No. 25116.  
JANUARY 29, 2020

<b>JACK SLEEPER 9 &amp; 16-23S-28E 201H</b>	
DATE:	01/29/20
FILE:	AD JACK SLEEPER STATE COM 9 & 16-23S-28E 201H
DRAWN BY:	A.M.D.
SHEET:	1 OF 1

REVISION:	

NOTES:  
1. ORIGINAL DOCUMENT SIZE: 8.5" X 11"  
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3. THIS WELL LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAY AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

Oilfield Services, Central U.S. Land  
Schlumberger Drilling and Measurements  
Drilling Group  
Geo Market Area: South West Texas Basin  
7220 W I-H 20  
Midland, Texas 79706  
Phone : (432) 742-5400 (Main)  
Fax : (432) 742-5606 (Shared)

# Schlumberger

October 18, 2019

Matador Production Company  
One Lincoln Centre  
Dallas, TX 75240

RECEIVED

FEB 14 2020

EMNRD-OCD ARTESIA

S4, T23S, R28E Eddy, NM  
N 32.3276821 W -104.1006588

Re:

CLIENT: Matador Production Company  
WELL: Jack Sleeper State Com 9 16 23S 28E 201H  
FIELD: Purple Sage; Wolcamp (GAS)

RIG: Patterson 274  
COUNTY: Eddy  
API NO: 30-015-46131  
JOB NO: 19MLG0122

Enclosed, please find the original copy of the survey performed on the referenced well by Drilling & Measurements, a division of Schlumberger Technology Corporation (P-5 No. 754900).  
Other information required by your office is as follows.

<u>Name &amp; Title of Surveyor</u>	<u>Drainhole Number</u>	<u>Surveyed Depths</u>	<u>Dates Performed</u>	<u>Type of Survey</u>
Jonathan Burns FS	Com 9 16 23S 28E 201H Original Hole	9694.00 Ft to 19852.00 Ft	August 20, 2019 to August 29, 2019	SlimPulse

Schlumberger-Private

Original Services Contract U.S. 14113  
Schlumberger Drilling and Measurements  
Drilling Group  
Geo Market Area: South West Texas Basin  
7220 W I-H 20  
Midland, Texas 79706  
Phone : (432) 742-5400 (Main)  
Fax : (432) 742-5606 (Shared)

# Schlumberger

Well Reference:  
S4, T23S, R28E Eddy, NM  
N 32.3276821 W -104.1006588

I, Jonathan Burns certify that; I am employed by Drilling & Measurements, a division of Schlumberger Technology Corporation; that I did on the day(s) of August 20, 2019 through August 29, 2019, conduct or supervise the taking of the SlimPulse surveys from a depth of 9694.00 feet to a depth of 19852.00 feet referenced to driller's depth; that the data is true, correct, complete and within the limitations of the tool as set forth by Drilling & Measurements, a division of Schlumberger Technology Corporation; that I am authorized and qualified to make this report; that this survey was conducted at the request of Matador Production Company for the Jack Sleeper State Com 9 16 23S 28E 201H Well (Original Hole) API No. 30-015-46131 in New Mexico; and that I have reviewed this report and find that it conforms to the principals and procedures as set forth by Drilling & Measurements, a division of Schlumberger Technology Corporation.

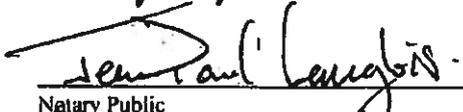
By  
Jonathan Burns  
FS



Subscribed and Sworn to before me this 18 day of October (month) 2019 (yr)

My Commission expires:

6/24/23

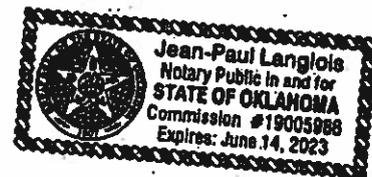


Notary Public

Comanche, Oklahoma

(County State)

(signature)



# Matador Jack Sleeper Com 9 and 16-23S-28E 201H Gyro + MWD Surveys Oft to 19892ft MD Survey Geodetic Report (Def Survey)



Report Date: September 03, 2019 - 09:20 AM  
 Client: Matador  
 Field: NM Eddy County (NAD 27)  
 Structure / Slot: Matador Jack Sleeper Com 9 and 16-23S-28E 201H / New Slot  
 Well: Matador Jack Sleeper Com 9 and 16-23S-28E 201H  
 Borehole: Matador Jack Sleeper Com 9 and 16-23S-28E 201H  
 UWI / API#: Unknown / Unknown  
 Survey Name: Matador Jack Sleeper Com 9 and 16-23S-28E 201H Gyro + MWD Surveys Oft to 19892ft MD  
 Survey Date: July 30, 2019  
 Tort / AHD / DOI / ERD Ratio: 256.598' / 10988.571 ft / 6.771' / 1.157  
 Coordinate Reference System: NAD27 New Mexico State Plane, Eastern Zone, US Feet  
 Location Lat / Long: N 32° 19' 39.22734", W 104° 6' 0.58106"  
 Location Grid N/E Y/X: N 482962.00 NUS, E 572024.000 NUS  
 CRS Grid Convergence Angle: 0.1247"  
 Grid Scale Factor: 0.99991503  
 Version / Patch: 2.10.782.0

Survey / DLS Computation: Minimum Curvature / Lubinski  
 Vertical Section Azimuth: 179.800° (Grid North)  
 Vertical Section Origin: 0.000 ft, 0.000 ft  
 TVD Reference Datum: RKB  
 TVD Reference Elevation: 3042.500 ft above MSL  
 Seabed / Ground Elevation: 3014.000 ft above MSL  
 Magnetic Declination: 7.136°  
 Total Gravity Field Strength: 999.4606mgn (9.80665 Based)  
 Gravity Model: GARM  
 Total Magnetic Field Strength: 47892.763 nT  
 Magnetic Dip Angle: 60.047°  
 Declination Date: July 30, 2019  
 Magnetic Declination Model: HDGM 2019  
 North Reference: Grid North  
 Grid Convergence Used: 0.1247"  
 Total Corr Mag North-Grid North: 7.0109°  
 Local Coord Referenced To: Well Head

Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (ft/100ft)	Northing (NUS)	Easting (EUS)	Latitude (N/S °'")	Longitude (E/W °'")
SHL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N/A	482962.00	572024.00	N 32 19 39.23 W 104 6 0.58	
	171.00	0.20	226.30	171.00	0.21	-0.21	-0.22	0.12	482961.79	572023.78	N 32 19 39.23 W 104 6 0.58	
	232.00	0.50	209.00	232.00	0.51	-0.51	-0.42	0.52	482861.49	572073.58	N 32 19 39.22 W 104 6 0.59	
	324.00	0.60	215.90	323.99	1.25	-1.25	-0.90	0.13	482860.75	572023.10	N 32 19 39.21 W 104 6 0.59	
	338.00	0.40	206.30	337.99	1.35	-1.36	-0.96	1.54	482960.64	572023.04	N 32 19 39.21 W 104 6 0.59	
	433.00	0.20	215.80	432.99	1.78	-1.79	-1.21	0.22	482860.21	572022.79	N 32 19 39.21 W 104 6 0.60	
	525.00	0.40	271.60	524.99	1.90	-1.91	-1.62	0.36	482860.09	572022.38	N 32 19 39.21 W 104 6 0.60	
	617.00	0.60	278.00	616.99	1.84	-1.85	-2.42	0.22	482960.15	572021.58	N 32 19 39.21 W 104 6 0.61	
	708.00	0.50	291.30	708.98	1.64	-1.65	-3.28	0.19	482960.35	572020.72	N 32 19 39.21 W 104 6 0.62	
	805.00	0.70	272.80	804.98	1.46	-1.47	-4.25	0.25	482960.53	572019.75	N 32 19 39.21 W 104 6 0.63	
	800.00	0.50	284.80	809.97	1.32	-1.34	-5.23	0.28	482960.73	572017.79	N 32 19 39.21 W 104 6 0.65	
	998.00	0.70	266.80	995.97	1.25	-1.27	-6.22	0.39	482960.81	572016.89	N 32 19 39.22 W 104 6 0.66	
	1091.00	0.40	289.50	1090.96	1.16	-1.19	-7.11	0.71	482960.81	572016.89	N 32 19 39.22 W 104 6 0.67	
	1188.00	0.70	270.30	1185.96	1.49	-1.52	-7.80	0.71	482960.48	572016.20	N 32 19 39.21 W 104 6 0.67	
	1281.00	0.70	222.70	1280.95	2.36	-2.38	-8.57	0.03	482959.61	572015.43	N 32 19 39.20 W 104 6 0.68	
	1376.00	0.70	238.20	1375.95	3.09	-3.12	-9.46	0.20	482958.88	572014.54	N 32 19 39.20 W 104 6 0.69	
	1471.00	1.10	264.90	1470.93	3.47	-3.51	-10.86	0.60	482958.49	572013.14	N 32 19 39.19 W 104 6 0.71	
	1567.00	1.20	274.50	1566.91	3.46	-3.51	-12.78	0.23	482958.49	572011.22	N 32 19 39.19 W 104 6 0.73	
	1662.00	0.20	182.60	1661.91	3.55	-3.60	-13.78	1.29	482958.40	572010.22	N 32 19 39.19 W 104 6 0.74	
	1756.00	1.40	131.30	1755.90	4.47	-4.52	-12.92	1.37	482957.48	572011.08	N 32 19 39.18 W 104 6 0.73	
	1851.00	2.00	117.50	1850.86	6.01	-6.05	-10.58	0.76	482955.95	572013.42	N 32 19 39.17 W 104 6 0.70	
	1946.00	2.00	131.70	1945.80	7.89	-7.92	-7.87	0.52	482954.08	572018.13	N 32 19 39.15 W 104 6 0.67	
	2041.00	2.40	129.40	2040.73	10.27	-10.28	-5.10	0.43	482951.72	572018.00	N 32 19 39.13 W 104 6 0.64	
	2136.00	1.60	97.60	2135.67	11.72	-11.73	-2.25	1.40	482910.27	572021.75	N 32 19 39.11 W 104 6 0.61	
	2231.00	1.40	85.80	2230.64	11.82	-11.82	0.23	0.39	482950.18	572024.23	N 32 19 39.11 W 104 6 0.58	
	2326.00	1.70	89.10	2325.60	11.72	-11.71	2.79	0.33	482950.28	572026.79	N 32 19 39.11 W 104 6 0.55	
	2421.00	1.00	78.90	2420.58	11.56	-11.55	5.02	0.77	482950.45	572029.02	N 32 19 39.11 W 104 6 0.52	
	2449.00	0.80	74.90	2448.57	11.47	-11.45	5.47	0.46	482950.55	572029.47	N 32 19 39.11 W 104 6 0.52	
	2588.00	1.50	73.90	2587.56	10.85	-10.83	7.69	0.07	482951.17	572031.69	N 32 19 39.12 W 104 6 0.49	
	2684.00	1.20	71.30	2683.54	10.30	-10.27	9.45	0.21	482951.75	572033.45	N 32 19 39.13 W 104 6 0.47	
	2778.00	1.30	66.60	2778.51	9.56	-9.54	11.38	0.15	482952.48	572035.38	N 32 19 39.13 W 104 6 0.45	
	2874.00	1.60	73.40	2873.50	8.91	-8.86	13.16	0.35	482953.14	572037.16	N 32 19 39.14 W 104 6 0.43	
	2969.00	2.70	54.70	2968.44	7.38	-7.33	15.78	1.88	482954.67	572039.78	N 32 19 39.15 W 104 6 0.40	
	3065.00	3.30	53.20	3064.31	4.44	-4.37	18.84	0.63	482957.63	572043.84	N 32 19 39.16 W 104 6 0.35	
	3160.00	3.20	52.50	3159.16	1.20	-1.12	24.13	0.11	482960.68	572048.13	N 32 19 39.22 W 104 6 0.30	
	3255.00	3.20	51.80	3254.01	-2.04	2.14	28.32	0.04	482964.14	572052.32	N 32 19 39.25 W 104 6 0.25	
	3350.00	2.80	53.20	3348.88	-5.99	5.17	32.26	0.43	482967.17	572056.26	N 32 19 39.28 W 104 6 0.20	
	3446.00	2.90	48.10	3444.76	-8.07	8.19	35.95	0.28	482970.18	572058.84	N 32 19 39.31 W 104 6 0.16	
	3541.00	2.80	48.60	3539.64	-11.20	11.23	39.48	0.11	482973.33	572063.47	N 32 19 39.34 W 104 6 0.12	
	3636.00	2.80	48.60	3634.53	-14.25	14.40	42.96	0.01	482976.40	572066.96	N 32 19 39.37 W 104 6 0.09	
	3731.00	2.80	49.50	3729.41	-17.32	17.49	46.54	0.11	482979.48	572070.53	N 32 19 39.40 W 104 6 0.04	
	3826.00	2.70	48.20	3824.30	-20.36	20.54	50.03	0.22	482982.54	572074.03	N 32 19 39.43 W 104 6 0.00	
	3922.00	2.50	47.20	3920.20	-23.28	23.47	53.25	0.21	482985.47	572077.25	N 32 19 39.46 W 104 5 58.96	
	4017.00	2.50	48.10	4015.11	-26.06	26.26	56.32	0.04	482988.26	572080.31	N 32 19 39.49 W 104 5 58.92	
	4112.00	2.50	45.90	4110.02	-28.89	28.99	59.34	0.12	482991.09	572083.33	N 32 19 39.51 W 104 5 58.89	
	4207.00	2.60	50.50	4204.93	-31.70	31.92	62.48	0.26	482993.91	572086.47	N 32 19 39.54 W 104 5 58.85	
	4302.00	2.70	47.90	4299.82	-34.56	34.79	65.60	0.18	482996.78	572089.79	N 32 19 39.57 W 104 5 58.81	
	4398.00	2.60	51.30	4395.72	-37.42	37.67	68.18	0.19	482999.66	572093.17	N 32 19 39.60 W 104 5 58.77	
	4493.00	3.60	55.00	4490.58	-40.27	40.72	73.30	1.07	483002.72	572097.29	N 32 19 39.63 W 104 5 58.73	
	4588.00	1.70	53.80	4585.39	-43.98	44.25	78.21	0.14	483006.25	572102.20	N 32 19 39.66 W 104 5 58.67	
	4683.00	3.60	51.30	4680.20	-47.65	47.94	83.01	0.19	483009.83	572107.00	N 32 19 39.70 W 104 5 58.61	
	4778.00	3.30	52.40	4776.02	-51.20	51.51	87.55	0.32	483013.50	572111.54	N 32 19 39.74 W 104 5 58.56	
	4873.00	3.10	48.80	4869.88	-54.51	54.83	91.60	0.30	483016.83	572115.60	N 32 19 39.77 W 104 5 58.51	
	4968.00	3.00	67.20	4964.74	-57.15	57.49	95.63	0.18	483019.48	572119.82	N 32 19 39.79 W 104 5 58.46	
	5063.00	3.00	70.00	5059.81	-59.95	59.30	100.46	0.15	483021.30	572124.45	N 32 19 39.81 W 104 5 58.41	
	5158.00	2.70	70.10	5155.49	-60.56	60.83	104.84	0.31	483022.92	572128.93	N 32 19 39.83 W 104 5 58.36	
	5253.00	2.80	72.70	5249.39	-61.88	62.37	109.22	0.17	483024.36	572133.21	N 32 19 39.84 W 104 5 58.31	
	5348.00	2.70	77.30	5344.28	-63.15	63.55	113.61	0.25	483025.54	572137.60	N 32 19 39.85 W 104 5 58.28	
	5444.00	2.80	80.20	5440.17	-64.03	64.44	118.13	0.18	483026.44	572142.12	N 32 19 39.86 W 104 5 58.20	
	5539.00	2.50	77.80	5534.07	-64.84	65.27	122.40	0.34	483027.26	572146.39	N 32 19 39.87 W 104 5 58.15	
	5632.00	2.20	87.80	5627.98	-65.49	65.93	126.19	0.39	483027.82	572150.18	N 32 19 39.88 W 104 5 58.11	
	5728.00	2.00	84.60	5723.82	-65.86	66.32	129.89	0.22	483028.31	572153.88	N 32 19 39.88 W 104 5 58.07	
	5823.00	2.00	89.30	5818.86	-66.06	66.52	132.99	0.14	483028.52	572156.96	N 32 19 39.88 W 104 5 58.03	
	5918.00	2.10	60.50	5913.81	-66.95	67.43	136.17	1.04	483029.42	572160.15	N 32 19 39.89 W 104 5 58.99	
	6013.00	2.00	55.30	6008.75	-68.74	69.23	139.04	0.22	483031.22	572163.03	N 32 19 39.91 W 104 5 58.96	
	6108.00	1.50	53.50	6103.70	-70.42	70.81	141.41	0.53	483032.91	572165.39	N 32 19 39.93 W 104 5 58.93	
	6204.00	2.00	48.10	6199.66	-72.25	72.76	143.88	0.54	483034.75	572167.67	N 32 19 39.94 W 104 5 58.90	
	6298.00	1.70	54.40	6293.61	-74.47	74.96	145.71	0.59	483036.87	572169.70	N 32 19 39.97 W 104 5 58.86	
	6394.00	2.20	53.60	6389.56	-76.73	77.25	148.00	0.96	483039.24	572171.99	N 32 19 39.99 W 104 5 58.85	
	6488.00	2.90	76.10	6483.46	-78.38	78.89	151.76	1.20	483040.88	572175.75	N 32 19 40.00 W 104 5 58.81	
	6584.00	1.90	88.10	6579.38	-78.89	79.53	155.71	1.16	483041.52	572179.63	N 32 19 40.01 W 104 5 58.76	
	6679.00	2.40	85.90	6674.31	-78.82	79.38	159.26	0.81	483041.37	572183.25	N 32 19 40.01 W 104 5 58.72	
	6773.00	2.40	109.20	6768.23	-77.86	78.53	163.08	0.59	483040.52	572187.06	N 32 19 40.00 W 104 5 58.68	
	6869.00	1.40	84.30	6864.16	-77.43	78.01	166.47	1.12	483040.01	572190.46	N 32 19 40.00 W 104 5 58.64	

Comments	MD (ft)	Incl (°)	Azim Ori (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (ft/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (°N''')	Longitude (°W''')
	7345.00	1.90	78.20	7339.81	-85.87	86.51	181.57	0.64	483048.50	572205.55	N 32 19 40.08 W 104 5 58.46	
	7448.00	1.90	82.90	7434.76	-86.38	87.02	184.87	0.16	483049.02	572208.86	N 32 19 40.08 W 104 5 58.43	
	7558.00	1.90	125.10	7552.71	-85.85	86.31	187.55	1.42	483048.33	572211.54	N 32 19 40.08 W 104 5 58.39	
	7631.00	3.10	109.10	7625.62	-83.88	84.56	191.27	1.45	483046.35	572215.25	N 32 19 40.08 W 104 5 58.35	
	7727.00	2.30	104.70	7721.52	-82.54	83.22	195.56	0.86	483045.21	572219.57	N 32 19 40.05 W 104 5 58.25	
	7821.00	3.30	72.60	7815.41	-82.85	83.55	199.89	1.04	483045.54	572223.07	N 32 19 40.05 W 104 5 58.25	
	7917.00	4.00	64.80	7911.21	-85.09	85.80	205.66	0.89	483047.60	572228.64	N 32 19 40.07 W 104 5 58.18	
	8012.00	3.30	65.90	8006.02	-87.59	88.33	211.15	0.74	483050.32	572235.13	N 32 19 40.10 W 104 5 58.12	
	8107.00	4.10	58.60	8100.82	-90.55	91.31	216.49	1.04	483053.30	572240.47	N 32 19 40.13 W 104 5 58.08	
	8202.00	3.30	58.42	8195.62	-93.83	94.60	221.66	0.85	483056.59	572245.64	N 32 19 40.18 W 104 5 58.00	
	8297.00	2.60	58.60	8290.50	-96.37	97.16	225.83	0.74	483058.15	572249.81	N 32 19 40.18 W 104 5 57.95	
	8392.00	1.90	70.30	8385.42	-98.01	98.81	228.15	0.88	483060.80	572253.13	N 32 19 40.20 W 104 5 57.91	
	8488.00	1.70	80.30	8481.38	-98.77	99.59	232.05	0.39	483061.58	572256.03	N 32 19 40.21 W 104 5 57.87	
	8582.00	1.50	118.60	8575.34	-98.41	99.23	234.51	1.13	483061.22	572258.49	N 32 19 40.20 W 104 5 57.85	
	8678.00	0.90	195.50	8671.33	-97.08	97.90	235.41	1.63	483058.69	572259.39	N 32 19 40.19 W 104 5 57.84	
	8773.00	1.00	215.80	8766.31	-95.89	96.51	234.72	0.37	483058.50	572258.70	N 32 19 40.18 W 104 5 57.84	
	8873.00	1.40	229.90	8866.29	-94.20	95.02	233.28	0.49	483057.01	572257.26	N 32 19 40.16 W 104 5 57.86	
	8968.00	3.70	169.80	8961.20	-90.44	91.25	232.93	3.41	483053.24	572256.91	N 32 19 40.13 W 104 5 57.86	
	9063.00	18.30	169.70	9056.20	-72.84	73.46	238.18	15.37	483053.46	572260.14	N 32 19 39.85 W 104 5 57.83	
	9158.00	30.10	172.10	9140.71	-34.21	35.06	242.12	12.46	482997.05	572268.10	N 32 19 39.57 W 104 5 57.76	
	9253.00	40.70	173.30	9218.48	19.73	-18.87	248.88	10.24	482943.14	572272.94	N 32 19 39.04 W 104 5 57.68	
	9347.00	49.10	172.90	9295.51	81.56	-84.14	256.89	9.90	482877.87	572280.86	N 32 19 38.39 W 104 5 57.59	
	9442.00	57.80	178.10	9347.19	169.84	-169.03	260.66	9.96	482801.99	572288.64	N 32 19 37.64 W 104 5 57.52	
	9537.00	81.80	186.00	9380.17	242.78	-241.87	259.61	8.43	482720.15	572293.59	N 32 19 36.83 W 104 5 57.56	
Final Third Party MWD Survey	9630.00	71.20	184.10	9427.21	327.61	-326.73	252.16	10.28	482635.29	572276.14	N 32 19 35.99 W 104 5 57.65	
First SLB MWD Survey	9694.00	78.32	183.41	9444.02	389.17	-388.31	248.13	11.17	482573.72	572272.10	N 32 19 35.38 W 104 5 57.70	
	9775.00	78.34	183.08	9459.72	468.50	-467.65	243.63	1.32	482494.39	572267.81	N 32 19 34.59 W 104 5 57.75	
	9850.00	78.73	183.83	9465.16	497.94	-497.10	241.85	2.78	482464.95	572265.83	N 32 19 34.30 W 104 5 57.78	
	9931.00	80.73	183.77	9470.48	528.72	-527.88	239.87	3.21	482434.16	572263.78	N 32 19 34.00 W 104 5 57.80	
	9970.00	81.81	183.71	9475.50	561.94	-561.11	237.63	3.21	482400.94	572261.61	N 32 19 33.67 W 104 5 57.83	
	9995.00	83.83	183.96	9485.81	595.13	-595.33	231.32	4.24	482366.73	572259.30	N 32 19 32.74 W 104 5 57.90	
	10061.00	87.49	183.57	9491.41	751.74	-750.95	225.02	1.78	482211.11	572249.00	N 32 19 31.79 W 104 5 57.98	
	10156.00	91.48	183.89	9492.26	846.48	-845.72	218.76	4.22	482116.35	572242.74	N 32 19 30.85 W 104 5 58.05	
	10251.00	91.31	183.69	9489.95	941.22	-940.48	212.40	3.56	482021.60	572236.38	N 32 19 29.92 W 104 5 58.13	
	10346.00	90.69	183.38	9488.29	1036.12	-1035.40	209.03	0.34	481926.89	572233.01	N 32 19 28.98 W 104 5 58.17	
	10441.00	90.69	179.04	9487.15	1131.11	-1130.39	209.51	1.41	481831.71	572233.49	N 32 19 28.04 W 104 5 58.17	
	10536.00	91.38	180.91	9485.43	1228.09	-1225.36	209.55	2.10	481738.74	572233.53	N 32 19 27.10 W 104 5 58.17	
	10631.00	90.79	181.68	9483.65	132.03	-1320.32	207.24	1.19	481641.80	572231.22	N 32 19 26.16 W 104 5 58.20	
	10726.00	90.14	182.51	9482.86	1415.96	-1415.24	203.60	0.95	481546.86	572227.58	N 32 19 25.22 W 104 5 58.24	
	10821.00	90.45	181.83	9482.37	1510.86	-1510.17	200.90	0.79	481451.96	572223.99	N 32 19 24.28 W 104 5 58.29	
	10916.00	89.48	180.49	9482.43	1605.83	-1605.15	198.08	1.74	481356.98	572222.08	N 32 19 23.34 W 104 5 58.31	
	11011.00	88.14	179.06	9482.06	1700.74	-1700.05	199.28	4.35	481262.09	572223.26	N 32 19 22.40 W 104 5 58.30	
	11102.00	88.00	177.98	9480.71	1791.57	-1790.84	202.42	2.05	481171.28	572226.40	N 32 19 21.50 W 104 5 58.27	
	11194.00	80.00	178.14	9482.32	1883.51	-1882.81	205.53	2.18	481079.36	572229.52	N 32 19 20.59 W 104 5 58.23	
	11286.00	90.55	176.74	9481.87	1975.43	-1974.71	209.64	1.63	480987.46	572233.62	N 32 19 19.67 W 104 5 58.19	
	11378.00	90.07	177.64	9481.38	2067.33	-2066.60	214.15	1.11	480895.58	572238.13	N 32 19 18.77 W 104 5 58.14	
	11470.00	88.11	179.31	9482.84	2159.29	-2158.54	216.60	2.80	480803.64	572240.56	N 32 19 17.86 W 104 5 58.11	
	11562.00	86.76	180.33	9486.96	2251.19	-2250.45	216.89	1.84	480711.75	572240.87	N 32 19 16.95 W 104 5 58.11	
	11654.00	88.80	180.20	9500.44	2343.12	-2342.38	216.46	1.33	480619.03	572240.45	N 32 19 16.04 W 104 5 58.12	
	11745.00	86.86	181.39	9501.42	2434.10	-2433.36	215.20	2.68	480528.85	572238.18	N 32 19 15.14 W 104 5 58.14	
	11837.00	81.72	186.56	9500.15	2526.06	-2525.33	213.64	0.21	480436.89	572237.62	N 32 19 14.23 W 104 5 58.16	
	11925.00	81.93	180.40	9497.35	2614.01	-2613.28	212.90	3.20	480348.94	572236.80	N 32 19 13.36 W 104 5 58.17	
	12017.00	91.65	180.48	9494.48	2705.96	-2705.24	212.19	0.32	480257.00	572236.18	N 32 19 12.45 W 104 5 58.18	
	12109.00	91.55	180.23	9491.91	2797.92	-2797.20	211.62	0.29	480165.04	572235.81	N 32 19 11.54 W 104 5 58.19	
	12200.00	90.86	180.11	9490.00	2889.80	-2889.18	211.35	0.77	480074.07	572235.34	N 32 19 10.64 W 104 5 58.19	
	12292.00	90.93	180.10	9488.56	2980.69	-2980.17	211.19	0.08	479982.09	572235.17	N 32 19 9.73 W 104 5 58.20	
	12384.00	90.85	178.32	9487.30	3071.67	-3071.15	212.44	1.98	479891.12	572236.42	N 32 19 8.83 W 104 5 58.18	
	12476.00	89.72	178.46	9487.00	3166.84	-3166.11	215.11	1.99	479800.21	572238.09	N 32 19 7.89 W 104 5 58.15	
	12572.00	90.41	178.60	9486.89	3260.81	-3260.08	217.52	0.75	479709.24	572241.50	N 32 19 6.96 W 104 5 58.13	
	12667.00	90.59	177.42	9486.06	3355.76	-3355.01	220.82	1.26	479620.77	572244.80	N 32 19 6.02 W 104 5 58.09	
	12762.00	90.28	176.90	9485.34	3450.66	-3449.89	225.53	0.64	479532.41	572249.14	N 32 19 5.08 W 104 5 58.04	
	12857.00	90.65	176.88	9484.57	3545.53	-3544.75	230.70	0.39	479447.56	572254.68	N 32 19 4.15 W 104 5 57.99	
	12951.00	90.79	177.25	9483.39	3639.42	-3638.62	235.53	0.44	479363.70	572259.51	N 32 19 3.22 W 104 5 57.93	
	13045.00	90.31	177.28	9482.43	3733.32	-3732.51	240.11	0.51	479282.62	572263.99	N 32 19 2.29 W 104 5 57.88	
	13140.00	89.24	177.75	9482.86	3828.24	-3827.41	244.03	1.23	479194.92	572269.18	N 32 19 1.35 W 104 5 57.83	
	13235.00	89.21	178.00	9484.14	3923.18	-3922.34	247.65	0.27	479104.00	572271.63	N 32 19 0.41 W 104 5 57.79	
	13329.00	90.17	178.30	9484.65	4017.14	-4016.29	250.69	1.07	479016.06	572274.06	N 32 18 59.48 W 104 5 57.76	
	13424.00	90.72	178.42	9483.91	4112.11	-4111.25	253.41	0.69	478928.11	572277.38	N 32 18 58.54 W 104 5 57.73	
	13520.00	91.31	178.63	9482.21	4208.07	-4207.20	255.88	0.55	478841.11	572279.85	N 32 18 57.59 W 104 5 57.71	
	13615.00	90.72	178.33	9480.53	4303.03	-4302.15	258.40	0.70	478760.22	572282.37	N 32 18 56.65 W 104 5 57.68	
	13710.00	90.86	178.55	9479.14	4397.98	-4397.10	260.98	0.34	478685.28	572284.96	N 32 18 55.71 W 104 5 57.65	
	13805.00	89.87	177.95	9479.20	4492.95	-4492.05	263.88	2.19	478607.34	572287.86	N 32 18 54.77 W 104 5 57.62	
	13900.00	89.83	178.40	9480.19	4587.80	-4587.00	266.91	1.82	478535.40	572290.88	N 32 18 53.83 W 104 5 57.59	
	13995.00	90.78	178.58	9479.70	4682.88	-4682.06	269.41	1.90	478460.44	572293.39	N 32 18 52.89 W 104 5 57.56	
	14090.00	91.21	177.45	9478.07	4777.91	-4777.09	272.70	1.28	478391.52	572296.88	N 32 18 51.95 W 104 5 57.52	
	14184.00	90.83	177.85	9476.31	4871.73	-4871.00	275.55	0.52	478320.21	572300.53	N 32 18 51.02 W 104 5 57.48	
	14278.00	90.90	179.54	9474.80	4966.70	-4965.76	278.72	1.78	4782			

Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (ft/1000)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ° ' '')	Longitude (E/W ° ° ' '')
	17134.00	89.78	181.98	9477.34	7821.04	-7820.14	270.52	0.98	475142.54	572294.50	N 32 18 21.84 W 104 5 57.83	
	17229.00	89.97	180.78	9477.54	7916.00	-7915.11	268.23	1.28	475047.57	572282.21	N 32 18 20.90 W 104 5 57.86	
	17324.00	89.73	180.60	9477.79	8010.99	-8010.11	267.09	0.32	474952.59	572291.07	N 32 18 19.96 W 104 5 57.87	
	17419.00	89.46	181.22	9478.44	8105.87	-8105.09	265.58	0.70	474857.61	572289.56	N 32 18 19.02 W 104 5 57.89	
	17514.00	89.55	181.96	9479.25	8200.82	-8200.05	262.95	0.78	474762.66	572288.92	N 32 18 18.08 W 104 5 57.73	
	17609.00	90.07	181.37	9479.56	8285.87	-8285.01	260.19	0.83	474667.71	572284.16	N 32 18 17.14 W 104 5 57.76	
	17704.00	89.04	181.42	9480.30	8390.83	-8389.98	257.87	1.09	474572.75	572281.85	N 32 18 16.20 W 104 5 57.79	
	17799.00	89.62	180.78	9481.41	8485.79	-8484.95	256.07	0.82	474477.79	572280.04	N 32 18 15.26 W 104 5 57.81	
	17894.00	89.59	182.45	9482.07	8580.74	-8579.91	253.41	1.78	474382.84	572277.38	N 32 18 14.32 W 104 5 57.85	
	17990.00	89.83	181.81	9482.55	8676.66	-8675.74	249.84	0.71	474286.91	572275.82	N 32 18 13.37 W 104 5 57.89	
	18085.00	90.14	181.69	9482.58	8771.61	-8770.80	246.94	0.35	474191.97	572270.92	N 32 18 12.43 W 104 5 57.93	
	18180.00	90.48	179.46	9482.06	8866.59	-8865.78	245.98	2.37	474096.99	572269.96	N 32 18 11.49 W 104 5 57.94	
	18275.00	90.21	178.67	9481.49	8961.58	-8960.77	247.53	0.88	474002.01	572271.51	N 32 18 10.55 W 104 5 57.92	
	18371.00	90.72	179.10	9480.71	9057.56	-9056.75	249.40	0.69	473908.04	572273.38	N 32 18 9.60 W 104 5 57.90	
	18468.00	90.24	180.11	9479.92	9152.56	-9151.74	250.06	1.18	473811.06	572274.03	N 32 18 8.66 W 104 5 57.90	
	18561.00	89.90	179.85	9479.80	9247.56	-9246.74	250.00	0.39	473716.06	572273.98	N 32 18 7.72 W 104 5 57.90	
	18657.00	87.73	179.62	9481.79	9343.53	-9342.71	250.35	2.29	473620.10	572274.33	N 32 18 6.77 W 104 5 57.90	
	18752.00	90.21	179.84	9483.49	9438.51	-9437.69	250.96	2.61	473525.13	572274.94	N 32 18 5.83 W 104 5 57.90	
	18847.00	90.58	179.59	9482.84	9533.50	-9532.68	251.60	0.39	473430.15	572275.58	N 32 18 4.89 W 104 5 57.89	
	18942.00	91.72	179.42	9480.93	9628.48	-9627.66	252.42	1.21	473335.18	572276.40	N 32 18 3.95 W 104 5 57.89	
	19038.00	90.36	180.81	9479.17	9724.46	-9723.64	252.23	2.01	473239.21	572276.21	N 32 18 3.00 W 104 5 57.89	
	19133.00	90.00	179.73	9478.48	9819.45	-9818.64	251.78	1.21	473144.22	572275.76	N 32 18 2.06 W 104 5 57.90	
	19228.00	90.69	179.88	9478.28	9914.45	-9913.63	252.10	0.74	473049.23	572276.00	N 32 18 1.12 W 104 5 57.90	
	19323.00	89.45	179.36	9478.17	10009.45	-10008.63	252.73	1.42	472954.24	572276.71	N 32 18 0.18 W 104 5 57.89	
	19419.00	89.45	179.86	9479.09	10105.44	-10104.62	253.39	0.52	472858.26	572277.37	N 32 17 59.23 W 104 5 57.88	
	19514.00	89.42	179.82	9480.03	10200.44	-10199.62	253.65	0.05	472763.27	572277.83	N 32 17 58.29 W 104 5 57.88	
	19609.00	89.55	178.52	9480.88	10295.43	-10294.60	255.03	1.38	472668.29	572278.01	N 32 17 57.35 W 104 5 57.87	
	19704.00	89.31	179.59	9481.83	10390.41	-10389.58	256.60	1.15	472573.32	572280.57	N 32 17 56.41 W 104 5 57.86	
	19800.00	89.59	180.51	9482.75	10485.41	-10484.58	256.51	1.00	472477.34	572280.49	N 32 17 55.48 W 104 5 57.86	
HL Crossing	19803.62	89.59	180.50	9482.77	10480.03	-10480.20	256.48	0.23	472473.72	572280.48	N 32 17 55.43 W 104 5 57.86	
Final Survey	19852.00	89.59	180.39	9483.12	10538.40	-10537.57	256.10	0.23	472425.34	572280.08	N 32 17 54.95 W 104 5 57.86	
Projection To Bit	19892.00	89.59	180.39	9483.41	10578.40	-10577.57	255.83	0.00	472385.35	572279.81	N 32 17 54.55 W 104 5 57.87	

Survey Type: Def Survey

Survey Error Model: ISCWSA Rev 0 \*\*\* 3-D 95.000% Confidence 2.7955 sigma  
 Survey Program:

Description	Part	MD From (ft)	MD To (ft)	EDU Freq (ft)	Hole Size (in)	Casing Diameter (in)	Survey Tool Type	Borehole / Survey
	1	0.000	28.500	198.425	17.500	13.375	NAL_MWD-NON_SLB-Depth Only	Matador Jack Sleeper Com 9 and 16-23S-28E 201H / Matador Jack Sleeper Com 9 and 16-23S-28E
	1	28.500	28.500	Act Sns	17.500	13.375	NAL_MWD-NON_SLB-Depth Only	Matador Jack Sleeper Com 9 and 16-23S-28E 201H / Matador Jack Sleeper Com 9 and 16-23S-28E
	1	28.500	400.000	Act Sns	17.500	13.375	NAL_MWD-NON_SLB	Matador Jack Sleeper Com 9 and 16-23S-28E 201H / Matador Jack Sleeper Com 9 and 16-23S-28E
	1	400.000	2500.000	Act Sns	12.250	9.625	NAL_MWD-NON_SLB	Matador Jack Sleeper Com 9 and 16-23S-28E 201H / Matador Jack Sleeper Com 9 and 16-23S-28E 201H / Matador Jack
	1	2500.000	9630.000	Act Sns	8.750	7.625	NAL_MWD-NON_SLB	Matador Jack Sleeper Com 9 and 16-23S-28E 201H / Matador Jack Sleeper Com 9 and 16-23S-28E 201H / Matador Jack
	1	9630.000	19892.000	Act Sns	6.750	5.500	NAL_MWD_1.0_DEG	Matador Jack Sleeper Com 9 and 16-23S-28E 201H / Matador Jack



PRO DIRECTIONAL



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EMNRD-OGD ARTESIA



Jack Sleeper Com 9 & 16-23S-28E No. 201H

Eddy County, NM

30-015-44131

October 07, 2019

Job No. LNM5507519

ORIGINAL

Certified Report



**PRODIRECTIONAL**

**Survey Certification Letter**

October 07, 2019



Operator Name: Matador Resources  
Well Name: Jack Sleeper Com 9 & 16-23S-28E No. 201H  
County/Parish: Eddy County,  
State: NM  
Rig Name: Patterson 274  
Job Number: LNM5507519

This is to certify the surveys performed on the referenced well by Professional Directional Ent., Inc. are true and correct MWD Surveys, data provided as follows:

<u>Surveyor</u>	<u>Surveyed Depths</u>	<u>Dates Performed</u>	<u>Type of Survey</u>
ProDirectional	171' MD – 9,630' MD	07/13/19 – 07/19/19	MWD

Sincerely,

Mike Coats  
Regulatory Specialist  
Professional Directional

850 Conroe Park West Drive | Conroe, TX 77303 | Phone: 936.441.7266

[prodirectional.com](http://prodirectional.com)

*The Standard of Excellence in Directional Supervision*



## **Matador Resources**

**Eddy County, NM  
Jack Sleeper Com 9 & 16-23S-28E  
No. 201H  
OH**

**Survey: ProDirectional**

## **Survey Report**

**07 October, 2019**



**PRODIRECTIONAL**



# ProDirectional Survey Report



Company: Matador Resources	Well No. 201H
Project: Eddy County, NM (NAD83)	Well @ 3042.50usft
Site: Jack Sleeper Com 9 & 16-23S-28E	Well @ 3042.50usft
Wellbore: No. 201H	Grid
Design: OH	Minimum Curvature
MWD	WellPlanner1

Local Co-ordinate Reference: [ ]  
 TWD Reference: [ ]  
 North Reference: [ ]  
 Survey Calculation Method: [ ]  
 Database: [ ]

System Datum: Mean Sea Level

Project: Eddy County, NM (NAD83)

Map System: US State Plane 1983  
 Geo Datum: North American Datum 1983  
 Map Zone: New Mexico Eastern Zone

Site: Jack Sleeper Com 9 & 16-23S-28E

Site Position: Northing: 483,051.00 usft Latitude: 32.327765  
 Easting: 613,206.00 usft Longitude: -104.100659  
 Slot Radius: 13-3/16" Grid Convergence: -0.12°

Position Uncertainty: 0.00 usft

Well: No. 201H, LNM5507519

Well Position: +N/-S 0.00 usft Latitude: 32.327682  
 +E/-W 0.00 usft Easting: 613,206.00 usft Longitude: -104.100660  
 Wellhead Elevation: 0.00 usft Ground Level: 3,014.00 usft

Wellbore: OH

Magnetics: ModelName: [ ] Dip Angle: [ ] Field Strength: [ ]

Sample Date: 7/19/2019

Design: HDGM 7.13 60.05 47,895.90

Design: MWD

Audit Notes: Version: 1.0 Phase: ACTUAL Tie On Depth: 0.00

Vertical Section: Depth-From (TVD) (usft) 0.00  
 N/S (usft) 0.00  
 E/W (usft) 0.00  
 Direction (deg) 179.80

Survey Program: Date 10/7/2019

From (usft)	To (usft)	Survey (Wellbore)	Tool Name	Description
171.00	9,630.00	Survey #1 (OH)	MWD+HDGM	OWSG MWD + HRGM



**ProDirectional**  
Survey Report



<b>Company:</b> Matador Resources <b>Project:</b> Eddy County, NM (NAD83) <b>Site:</b> Jack Sleeper Com 9 & 16-23S-28E <b>Wellbore:</b> No. 201H <b>Design:</b> OH MWD	<b>Well No. 201H</b> <b>Well @ 3042.50usft</b> <b>Well @ 3042.50usft</b> <b>Grid</b> <b>Minimum Curvature</b> <b>WellPlanner!</b>
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MD (usft)	Incl. (°)	Adj. Azimuth (°)	TVD (usft)	V. Sec. (usft)	N/S (usft)	E/W (usft)	Closure Distance (usft)	Closure Azimuth (°)	Northing (usft)	Easting (usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	483,021.00	613,206.00
171.00	0.20	226.30	171.00	0.21	-0.21	-0.22	0.30	226.30	483,020.79	613,205.78
<b>Pro MWD First Survey: 171' MD</b>										
232.00	0.50	209.00	232.00	0.51	-0.51	-0.42	0.66	219.45	483,020.49	613,205.58
324.00	0.60	215.90	323.99	1.25	-1.25	-0.90	1.54	215.64	483,019.75	613,205.10
338.00	0.40	206.30	337.99	1.35	-1.36	-0.96	1.66	215.37	483,019.64	613,205.04
433.00	0.20	215.90	432.99	1.78	-1.79	-1.21	2.16	214.03	483,019.21	613,204.79
525.00	0.40	271.60	524.99	1.90	-1.91	-1.62	2.51	220.36	483,019.09	613,204.38
617.00	0.60	276.00	616.99	1.84	-1.85	-2.42	3.05	232.63	483,019.15	613,203.58
709.00	0.50	291.50	708.98	1.64	-1.65	-3.28	3.67	243.22	483,019.35	613,202.72
805.00	0.70	272.60	804.98	1.46	-1.47	-4.25	4.50	250.89	483,019.53	613,201.75
900.00	0.50	284.60	899.97	1.32	-1.34	-5.23	5.40	255.61	483,019.66	613,200.77
996.00	0.70	266.80	995.97	1.25	-1.27	-6.22	6.35	258.47	483,019.73	613,199.78
1,091.00	0.40	289.90	1,090.96	1.16	-1.19	-7.11	7.21	260.51	483,019.81	613,198.89
1,186.00	0.70	220.30	1,185.96	1.49	-1.52	-7.80	7.95	258.99	483,019.48	613,198.20
1,281.00	0.70	222.70	1,280.95	2.36	-2.39	-8.57	8.90	254.43	483,018.61	613,197.43
1,376.00	0.70	238.20	1,375.95	3.09	-3.12	-9.46	9.96	251.74	483,017.88	613,196.54
1,471.00	1.10	264.90	1,470.93	3.47	-3.51	-10.86	11.41	252.10	483,017.49	613,195.14
1,567.00	1.20	274.50	1,566.91	3.46	-3.51	-12.78	13.25	254.84	483,017.49	613,193.22
1,662.00	0.20	182.60	1,661.91	3.55	-3.60	-13.78	14.24	255.37	483,017.40	613,192.22
1,758.00	1.40	131.30	1,755.90	4.47	-4.52	-12.92	13.69	250.72	483,016.48	613,193.08
1,851.00	2.00	117.50	1,850.86	6.01	-6.05	-10.58	12.19	240.24	483,014.95	613,195.42
1,946.00	2.00	131.70	1,945.80	7.89	-7.92	-7.87	11.17	224.83	483,013.08	613,198.13
2,041.00	2.40	129.40	2,040.73	10.27	-10.28	-5.10	11.48	206.36	483,010.72	613,200.90
2,136.00	1.60	97.80	2,135.67	11.72	-11.73	-2.25	11.94	190.84	483,009.27	613,203.75
2,231.00	1.40	85.80	2,230.64	11.82	-11.82	0.23	11.82	178.91	483,009.16	613,206.23
2,326.00	1.70	89.10	2,325.60	11.72	-11.71	2.79	12.04	166.59	483,009.29	613,208.79



**ProDirectional**  
Survey Report



Company: Matador Resources  
 Project: Eddy County, NM (NAD83)  
 Site: Jack Sleeper Com 9 & 16-23S-28E  
 Well: No. 201H  
 Wellbore: OH  
 Design: MWD

Local Coordinates Reference:  
 TVD Reference:  
 MD Reference:  
 North Reference:  
 Survey Calculation Method:  
 Database:

Well No. 201H  
 Well @ 3042.50ust  
 Well @ 3042.50ust  
 Grid  
 Minimum Curvature  
 WellPlanner1

Survey	MD (usft)	Inc (°)	Azi (azimuth)	TVD (usft)	V. Sec (usft)	N/S (usft)	E/W (usft)	Closure Distance (usft)	Closure Azimuth (°)	Northing (usft)	Easting (usft)
	2,421.00	1.00	79.90	2,420.58	11.56	-11.55	5.02	12.59	156.51	483,009.45	613,211.02
	2,449.00	0.90	74.90	2,448.57	11.47	-11.45	5.47	12.69	154.46	483,009.55	613,211.47
	2,588.00	1.00	73.90	2,587.56	10.85	-10.83	7.69	13.28	144.61	483,010.17	613,213.69
	2,684.00	1.20	71.30	2,683.54	10.30	-10.27	9.45	13.95	137.40	483,010.73	613,215.45
	2,779.00	1.30	66.60	2,778.51	9.56	-9.52	11.38	14.84	129.93	483,011.48	613,217.38
	2,874.00	1.00	73.40	2,873.50	8.91	-8.86	13.16	15.87	123.95	483,012.14	613,219.16
	2,969.00	2.70	54.70	2,968.44	7.38	-7.33	15.78	17.40	114.91	483,013.67	613,221.78
	3,065.00	3.30	53.20	3,064.31	4.44	-4.37	19.84	20.32	102.42	483,016.63	613,225.84
	3,160.00	3.20	52.50	3,159.16	1.20	-1.12	24.13	24.16	92.65	483,019.88	613,230.13
	3,255.00	3.20	51.80	3,254.01	-2.04	2.14	28.32	28.40	85.68	483,023.14	613,234.32
	3,350.00	2.80	53.20	3,348.88	-5.05	5.17	32.26	32.67	80.90	483,026.17	613,238.26
	3,446.00	2.90	48.10	3,444.76	-8.07	8.19	35.95	36.87	77.16	483,029.19	613,241.95
	3,541.00	2.80	48.60	3,539.64	-11.20	11.33	39.48	41.07	73.98	483,032.33	613,245.48
	3,636.00	2.80	48.80	3,634.53	-14.25	14.40	42.96	45.31	71.47	483,035.40	613,248.96
	3,731.00	2.90	49.50	3,729.41	-17.32	17.49	46.54	49.71	69.41	483,038.49	613,252.54
	3,826.00	2.70	48.20	3,823.30	-20.36	20.54	50.03	54.08	67.68	483,041.54	613,256.03
	3,922.00	2.50	47.20	3,920.20	-23.28	23.47	53.25	58.19	66.22	483,044.47	613,259.25
	4,017.00	2.50	48.10	4,015.11	-26.06	26.26	56.32	62.14	65.00	483,047.26	613,262.32
	4,112.00	2.50	45.50	4,110.02	-28.89	29.09	59.34	66.08	63.88	483,050.09	613,265.34
	4,207.00	2.60	50.50	4,204.93	-31.70	31.92	62.48	70.16	62.94	483,052.92	613,268.48
	4,302.00	2.70	47.90	4,299.82	-34.56	34.79	65.80	74.43	62.13	483,055.79	613,271.80
	4,398.00	2.60	51.30	4,395.72	-37.42	37.67	69.18	78.77	61.43	483,058.67	613,275.18
	4,493.00	3.60	55.00	4,490.58	-40.47	40.72	73.30	83.85	60.94	483,061.72	613,279.30
	4,588.00	3.70	53.60	4,585.39	-43.98	44.25	78.21	89.86	60.50	483,065.25	613,284.21
	4,683.00	3.60	51.30	4,680.20	-47.65	47.94	83.01	95.85	59.99	483,068.94	613,289.01
	4,779.00	3.30	52.40	4,776.02	-51.20	51.51	87.55	101.58	59.53	483,072.51	613,293.55
	4,873.00	3.10	48.80	4,869.88	-54.51	54.83	91.60	106.76	59.10	483,075.83	613,297.60



# ProDirectional Survey Report



Company	Matador Resources	Local Coordinate Reference	Well No. 201H	MD (usft)	Inc (ft)	Azi (azimuth) (°)	TVD (usft)	V. Sec (usft)	N/S (usft)	PERW (usft)	Closure Distance (usft)	Closure Azimuth (°)	Northing (usft)	Easting (usft)
Project	Eddy County, NM (NAD83)	TVD Reference:	Well @ 3042.50usft	4,968.00	3.00	67.20	4,964.74	-57.15	57.49	95.83	111.75	59.04	483,078.49	613,301.83
Site	Jack Sleeper Com 9 & 16-23S-28E	MWD Reference:	Well @ 3042.50usft	5,063.00	3.00	70.00	5,059.61	-58.95	59.30	100.46	116.65	59.45	483,080.30	613,306.46
Wellbore	No. 201H	North Reference:	Grid	5,159.00	2.70	70.10	5,155.49	-60.56	60.93	104.94	121.35	59.86	483,081.93	613,310.94
Design	OH	Survey Calculation Method:	Minimum Curvature	5,253.00	2.80	72.70	5,249.39	-61.98	62.37	109.22	125.77	60.27	483,083.37	613,315.22
	MWD	Database:	WellPlanner1	5,348.00	2.70	77.30	5,344.28	-63.15	63.55	113.61	130.18	60.78	483,084.55	613,319.61
				5,444.00	2.80	80.20	5,440.17	-64.03	64.44	118.13	134.57	61.39	483,085.44	613,324.13
				5,538.00	2.50	77.80	5,534.07	-64.84	65.27	122.40	138.71	61.93	483,086.27	613,328.40
				5,632.00	2.20	82.80	5,627.99	-65.49	65.93	126.19	142.38	62.42	483,086.93	613,332.19
				5,728.00	2.00	84.60	5,723.92	-65.86	66.32	129.69	145.66	62.92	483,087.32	613,335.69
				5,823.00	2.00	88.30	5,818.86	-66.06	66.52	132.99	148.70	63.43	483,087.52	613,338.99
				5,918.00	2.10	60.50	5,913.81	-66.95	67.43	136.17	151.95	63.66	483,088.43	613,342.17
				6,013.00	2.00	55.30	6,008.75	-68.74	69.23	139.04	155.33	63.53	483,090.23	613,345.04
				6,108.00	1.50	53.50	6,103.70	-70.42	70.91	141.41	158.19	63.37	483,091.91	613,347.41
				6,204.00	2.00	49.10	6,199.66	-72.25	72.76	143.68	161.05	63.14	483,093.76	613,349.68
				6,298.00	1.70	34.40	6,293.61	-74.47	74.98	145.71	163.87	62.77	483,095.98	613,351.71
				6,394.00	2.20	53.60	6,389.55	-76.73	77.25	148.00	166.95	62.44	483,098.25	613,354.00
				6,488.00	2.90	76.10	6,483.46	-78.36	78.89	151.76	171.04	62.53	483,099.89	613,357.76
				6,584.00	1.90	88.10	6,579.38	-78.98	79.53	155.71	174.84	62.94	483,100.53	613,361.71
				6,679.00	2.40	95.90	6,674.31	-78.82	79.38	159.26	177.94	63.51	483,100.38	613,365.26
				6,773.00	2.40	109.20	6,768.23	-77.96	78.53	163.08	181.00	64.29	483,099.53	613,369.08
				6,869.00	1.80	84.30	6,864.16	-77.43	78.01	166.47	183.85	64.89	483,099.01	613,372.47
				6,964.00	1.50	80.90	6,959.12	-77.77	78.36	169.19	186.45	65.15	483,099.36	613,375.19
				7,059.00	2.90	49.50	7,054.06	-79.51	80.12	172.24	189.96	65.05	483,101.12	613,378.24
				7,155.00	2.90	48.50	7,149.93	-82.69	83.30	175.91	194.64	64.66	483,104.30	613,381.91
				7,250.00	1.60	60.90	7,244.86	-84.92	85.54	178.87	198.27	64.44	483,106.54	613,384.87
				7,345.00	1.90	78.20	7,339.81	-85.87	86.51	181.57	201.12	64.52	483,107.51	613,387.57
				7,440.00	1.90	82.90	7,434.76	-86.38	87.02	184.67	204.15	64.77	483,108.02	613,390.67



**ProDirectional**  
Survey Report



Company: Matador Resources  
 Project: Eddy County, NM (NAD83)  
 Site: Jack Sleeper Com 9 & 16-23S-28E  
 Well: No. 201H  
 Wellbore: OH  
 Design: MWD

Local Co-ordinate Reference:  
 IVD Reference:  
 MD Reference:  
 North Reference:  
 Survey Calculation Method:  
 Database:

Well No. 201H  
 Well @ 3042.50usft  
 Well @ 3042.50usft  
 Grid  
 Minimum Curvature  
 WellPlanner1

MD (usft)	Inc (ft)	Azi (azimuth) (ft)	IVD (usft)	V. Sec (usft)	N/S (usft)	E/W (usft)	Closure Distance (usft)	Closure Azimuth (ft)	Northing (usft)	Existing (usft)
7,536.00	1.90	125.10	7,530.71	-85.65	86.31	187.55	206.46	65.29	483,107.31	613,393.55
7,631.00	3.10	109.10	7,625.62	-83.89	84.56	191.27	209.13	66.15	483,105.56	613,397.27
7,727.00	2.30	104.70	7,721.52	-82.54	83.22	195.58	212.55	66.95	483,104.22	613,401.58
7,821.00	3.30	72.60	7,815.41	-82.85	83.55	199.99	216.74	67.33	483,104.55	613,405.99
7,917.00	4.00	64.80	7,911.21	-85.09	85.80	205.66	222.84	67.35	483,106.80	613,411.66
8,012.00	3.30	65.90	8,006.02	-87.59	88.33	211.15	228.88	67.30	483,109.33	613,417.15
8,107.00	4.10	56.80	8,100.92	-90.55	91.31	216.49	234.96	67.13	483,112.31	613,422.49
8,202.00	3.30	58.40	8,195.62	-93.83	94.60	221.66	241.00	66.89	483,115.60	613,427.66
8,297.00	2.60	58.60	8,290.50	-96.37	97.16	225.93	245.84	66.72	483,118.16	613,431.83
8,392.00	1.90	70.30	8,385.42	-98.01	98.81	229.15	249.55	66.67	483,119.81	613,435.15
8,488.00	1.70	80.30	8,481.38	-98.77	99.59	232.05	252.52	66.77	483,120.59	613,438.05
8,582.00	1.50	118.60	8,575.34	-98.41	99.23	234.51	254.64	67.06	483,120.23	613,440.51
8,678.00	0.90	195.50	8,671.33	-97.08	97.90	235.41	254.96	67.42	483,118.90	613,441.41
8,773.00	1.00	215.80	8,766.31	-95.69	96.51	234.72	253.79	67.65	483,117.51	613,440.72
8,873.00	1.40	229.90	8,866.29	-94.20	95.02	233.28	251.89	67.84	483,116.02	613,439.28
8,968.00	3.70	169.60	8,961.20	-90.44	91.25	232.93	250.17	68.61	483,112.25	613,436.93
9,063.00	18.30	169.70	9,054.20	-72.64	73.46	236.16	247.32	72.72	483,094.46	613,442.16
9,158.00	30.10	172.10	9,140.71	-34.21	35.06	242.12	244.65	81.76	483,056.06	613,448.12
9,253.00	39.80	173.30	9,218.48	19.73	-18.87	248.96	249.68	94.33	483,002.13	613,454.96
9,347.00	49.10	172.90	9,285.51	85.04	-84.14	256.88	270.31	108.14	482,936.86	613,462.88
9,442.00	57.60	178.10	9,342.19	160.94	-160.03	262.66	307.57	121.35	482,860.97	613,468.66
9,537.00	61.80	186.00	9,390.17	242.78	-241.87	259.61	354.82	132.97	482,779.13	613,465.61
9,630.00	71.20	184.10	9,427.21	327.61	-326.73	252.16	412.72	142.34	482,694.27	613,458.16

Last Survey: 9630' MD



# ProDirectional Survey Report



<p>Company: Matador Resources          Project: Eddy County, NM (NAD83)          Site: Jack Sleeper Com 9 &amp; 16-23S-28E          Well: No. 201H          Wellbore: OH          Design: MWD</p>	<p>Well No. 201H          Well @ 3042.50ust          Well @ 3042.50ust          Grid          Minimum Curvature          WellPlanner1</p>															
<p>Local Co-ordinate References:          TVD Reference:          MD Reference:          North Reference:          Survey Calculation Method:          Database:</p>																
<p>Local Co-ordinates</p>																
<p>Design Annotations</p> <table border="1"> <thead> <tr> <th>Measured Depth (ustf)</th> <th>Vertical Depth (ustf)</th> <th>Local Coordinates +N/S (ustf)</th> <th>Local Coordinates +E/W (ustf)</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>171.00</td> <td>171.00</td> <td>-0.21</td> <td>-0.22</td> <td>Pro MWD First Survey: 171' MD</td> </tr> <tr> <td>9,630.00</td> <td>9,427.21</td> <td>-326.73</td> <td>252.16</td> <td>Last Survey: 9630' MD</td> </tr> </tbody> </table>	Measured Depth (ustf)	Vertical Depth (ustf)	Local Coordinates +N/S (ustf)	Local Coordinates +E/W (ustf)	Comment	171.00	171.00	-0.21	-0.22	Pro MWD First Survey: 171' MD	9,630.00	9,427.21	-326.73	252.16	Last Survey: 9630' MD	<p>Local Coordinates</p>
Measured Depth (ustf)	Vertical Depth (ustf)	Local Coordinates +N/S (ustf)	Local Coordinates +E/W (ustf)	Comment												
171.00	171.00	-0.21	-0.22	Pro MWD First Survey: 171' MD												
9,630.00	9,427.21	-326.73	252.16	Last Survey: 9630' MD												

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SEP 11 2020

BLM, NMSO  
SANTA FE

# MRC Permian Company

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

Voice 972.371.5409 • Fax 972.371.5201

[jgrainger@matadorresources.com](mailto:jgrainger@matadorresources.com)

**Jaime Grainger**  
Senior Land Analyst

September 10, 2020

VIA FEDERAL EXPRESS  
Bureau of Land Management  
Attn: Elizabeth Rivera  
301 Dinosaur Trail  
Santa Fe, NM 87508

API #3001546131

3001546132

3001546133

Re: Matador Production Company  
Jack Sleeper  
Sections 9 and 16, Township 23 South, Range 28 East, Eddy County, NM

Dear Ms. Rivera:

Enclose please find the following:

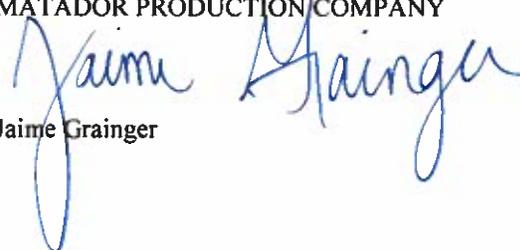
- Two (2) original and two (2) copies of the **Jack Sleeper #201H, #215H and #221H** Communitization Agreements covering the Wolfcamp formation in the W/2 of Sections 9 and 16, Township 23 South, Range 28 East, Eddy County, New Mexico.

Please return approved Communitization Agreement to my attention and do not hesitate to contact me at (972) 371-5409 should you have any questions.

Sincerely,

MATADOR PRODUCTION COMPANY

Jaime Grainger



SEP 11 2020

BLM, NMSO  
SANTA FEFederal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 12th day of July, 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

## WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

W/2 of Section 9 & the W/2 of Section 16, Township 23S, Range 28 E, Eddy County, New Mexico.

Containing **640.00** acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formations.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Matador Production Company, 5400 LBJ Freeway, Suite 1500, Dallas, TX, 75240. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty

due the United States, as specified in the applicable oil and gas operating regulations.

5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is June 19, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative,

with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

By: Craig N. Adams – Executive Vice President  
Name & Title of Authorized Agent

8/27/19  
Date

  
Signature of Authorized Agent

*AMH*  
*pld*

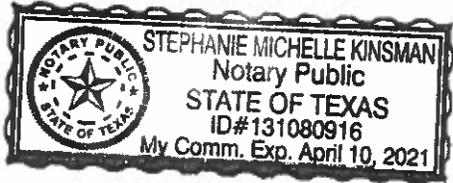
**ACKNOWLEDGEMENT**

STATE OF TEXAS                    )  
  )  
COUNTY OF DALLAS                )

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of August 2019, by **Craig N. Adams, Executive Vice President for Matador Production Company** on behalf of said corporation.

My Commission Expires: 4/10/2021

Stephanie M Kinsman  
Notary Public, State of Texas





**WORKING INTEREST OWNER/RECORD TITLE OWNER:**

**MRC Permian Company**

Date: 8/27/19

By: [Signature]

Name: Craig N. Adams

*smk  
pda*

Title: Executive Vice President

**Novo Oil & Gas Northern Delaware, LLC**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**BEXP I, LP**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF TEXAS )

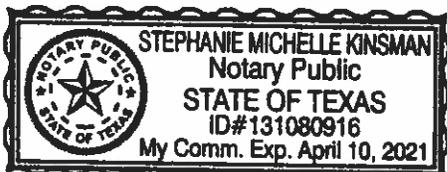
)

COUNTY OF DALLAS )

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of August 2019, by **Craig N. Adams, Executive Vice President of MRC Permian Company, a Texas corporation**, on behalf of said corporation.

My Commission Expires: 4/10/2021

[Signature]  
Notary Public, State of Texas



**WORKING INTEREST OWNER/RECORD TITLE OWNER:**

**MRC Permian Company**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: Craig N. Adams

Title: Executive Vice President

**Novo Oil & Gas Northern Delaware, LLC**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**BEXP I, LP**

Date: 9/4/2019

By: 

Name: Keith P. Lillie

Title: President & CEO

**ACKNOWLEDGEMENT**

STATE OF TEXAS            )  
  )  
COUNTY OF DALLAS        )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_ 2019, by **Craig N. Adams, Executive Vice President of MRC Permian Company, a Texas corporation**, on behalf of said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public, State of Texas

**ACKNOWLEDGEMENT**

STATE OF )  
 )  
COUNTY )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2019,  
by \_\_\_\_\_, in his/her capacity as \_\_\_\_\_ of  
\_\_\_\_\_, on behalf of said corporation.

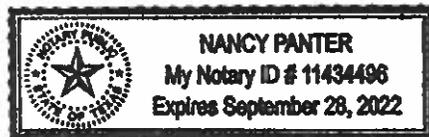
My Commission Expires: \_\_\_\_\_  
Notary Public

**ACKNOWLEDGEMENT**

STATE OF Texas )  
 )  
COUNTY Travis )

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of Sept, 2019,  
by Keith P. Lilie, in his/her capacity as President + CEO of  
BEXP I, LP, on behalf of said corporation.

My Commission Expires: Sept. 28, 2022  
Nancy Panter  
Notary Public





WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD

Devon Energy Production Company, L.P.

By: Catherine Lebsack VP  
Catherine Lebsack, Vice President

Date: August 11, 2020

ACKNOWLEDGEMENT

STATE OF OKLAHOMA )  
 ) ss.  
COUNTY OF OKLAHOMA )

The foregoing instrument was acknowledged before me on this 11<sup>th</sup>  
day of August, 2020 by Catherine Lebsack, Vice President of  
Devon Energy Production Company, L.P., an Oklahoma limited partnership,  
on behalf of said limited partnership.

(SEAL)

5/7/23  
My Commission Expires



Clint Dake  
Notary Public

W2 Jack Sleeper - Wolfcamp Formation  
W/2 of Sections 9&16-23S-28E  
Eddy County, New Mexico

WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD

OXY USA Inc

By:

*John V. Schneider*  
\_\_\_\_\_  
John V. Schneider

Date:

Print Name  
9/4/2020

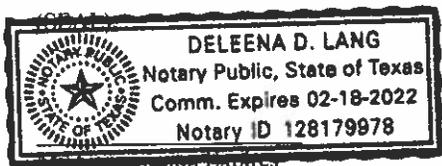
ACKNOWLEDGEMENT

STATE OF Texas )

) ss.

COUNTY OF Harris )

On this 4<sup>th</sup> day of September 2020 before me, a Notary Public for the State of Texas personally appeared John V. Schneider known to me to be the Attorney at Law of Oxy USA Inc, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

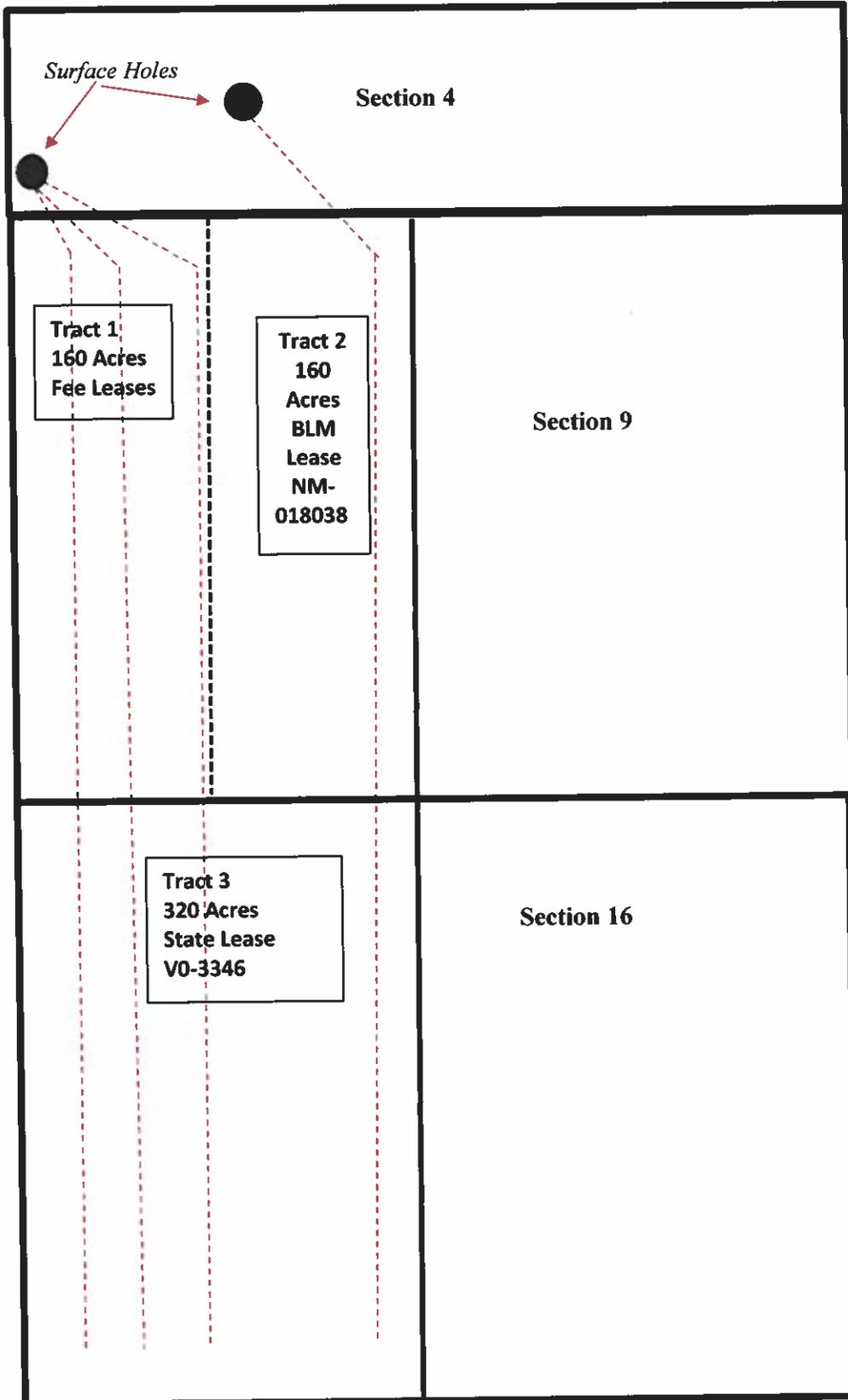


*Deleena D. Lang*  
\_\_\_\_\_  
Notary Public

W2 Jack Sleeper - Wolfcamp Formation  
W/2 of Sections 9&16-23S-28E  
Eddy County, New Mexico

### EXHIBIT "A"

Plat of communitized area covering 640.00 acres in W/2 of Section 9 and the W/2 of Section 16, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.



**EXHIBIT "B"**

To Communitization Agreement Dated June 19, 2019 embracing the following described land in W/2 of Section 9 and the W/2 of Section 16, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: Matador Production Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lessor: **Fee Leases**

Description of Land Committed: Township 23 South, Range 28 East, Section 9: W/2 W/2, N.M.P.M., Eddy County, New Mexico

Number of Gross Acres: 160

Authority for Pooling: Leases contain a provision authorizing pooling in accordance with the acreage requirement of the agreement

Current Lessees of Record: MRC Permian Company  
Novo Oil & Gas Northern Delaware, LLC  
BEXP I, LP  
Marathon Oil Company (Compulsory Pooled)  
OXY USA Inc.

Name of Working Interest Owners: MRC Permian Company  
Novo Oil & Gas Northern Delaware, LLC  
BEXP I, LP  
Marathon Oil Company (Compulsory Pooled)  
OXY USA Inc.

Name of Overriding Royalty Interest Owners: Galber Investments, LLC  
Llano Natural Resources, LLC

Tract No. 2

Lease Serial Number: The United States of America -NM-018038

Description of Land Committed: Township 23 South, Range 28 East, Section 9: E/2 W/2, N.M.P.M., Eddy County, New Mexico

Number of Gross Acres: 160.00

Current Lessee of Record: Devon Energy Production

Name of Working Interest Owners: MRC Permian Company

Name of Overriding Royalty Interest Owners: Farris C. Joseph, marital status unknown

Tract No. 3

Lease Serial Number: State of New Mexico – V0-3346  
Description of Land Committed: Township 23 South, Range 28 East,  
Section 16: W/2, N.M.P.M., Eddy County,  
New Mexico  
Number of Acres: 320  
Current Lessee of Record: MRC Permian Company  
Name of Working Interest Owners: MRC Permian Company  
Name of Overriding Royalty Interest  
Owners: Thomas R. Nickoloff  
Chalcam Exploration, LLC  
David Petroleum Corp

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160	25.00%
2	160	25.00%
3	320	50.00%
<b>Total</b>	<b>640</b>	<b>100.00%</b>

**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 TO  
CONSIDER:**

**CASE NO. 20327  
ORDER NO. R-20630**

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

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on April 4 2019, at Santa Fe, New Mexico, before Examiner Michael A. McMillan.

NOW, on this 19<sup>th</sup> day of June 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

**FINDS THAT**

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) No other party entered an appearance in this case or otherwise opposed this application.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
  - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.

- 
- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
  - (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooling depths or formation(s) within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the Well(s).

(14) Exhibit "A" and its details should be accepted and made a part of this order.

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**IT IS THEREFORE ORDERED THAT**

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month in the year following the date of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each

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known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 90 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

- (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit A) of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs" reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall

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be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 70-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

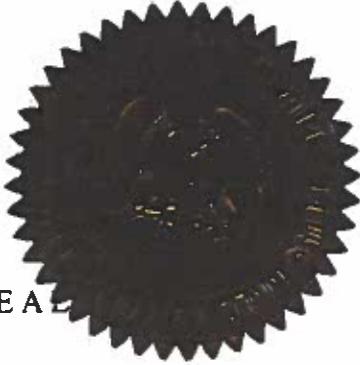
(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

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(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

Handwritten signature of Adrienne Sandoval in blue ink.

ADRIENNE SANDOVAL  
Director

**Exhibit A**

Applicant: Matador Production Company  
Operator: Matador Production Company (OGRID 228937)

Cases Consolidated for Hearing: N/A

Spacing Unit: Horizontal Gas  
Building Blocks: 320 acres (more or less)  
Size (more or less): 640 acres (more or less)  
Orientation of Unit: North/South  
Unit Description: W/2 of Section 9 and W/2 of Section 16, all in Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico

Pooling this Vertical Extent: Wolfcamp Formation  
Depth Severance? (Yes/No): No  
Pool: Purple Sage; Wolfcamp (Gas) (Pool code 98220)  
Pool Spacing Unit Size: Half Section or quarter-section  
Governing Well Setbacks: Special pool rules for the Purple Sage; Wolfcamp (Gas) Pool, promulgated in Order No. R-14262 issued in Case No. 15535 which has 330 foot offsets from any Unit boundary within a standard 320-acre, deep gas spacing unit.  
Pool Rules: Purple Sage; Wolfcamp (Gas) Special pool rules

Proximity Tracts: None Included

Monthly charge for supervision: While drilling: \$8000 While producing: \$800

As the charge for risk, 200 percent of reasonable well costs.

**There are five Proposed Wells:**

**Jack Sleeper Com Well No. 201H, API No. 30-015-Pending**

SHL: 240 feet from the North line and 330 feet from the West line, (Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 761 feet from the North line and 1156 feet from the East line, (Unit D) of Section 9, Township 23 South, Range 28 East, NMPM.

**Jack Sleeper Com Well No. 215H, API No. 30-015-Pending**

SHL: 736 feet from the North line and 1140 feet from the West line, (Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 240 feet from the North line and 1320 feet from the West line, (Unit D) of Section 9, Township 23 South, Range 28 East, NMPM.

**Jack Sleeper Com Well No. 221H, API No. 30-015-Pending**

SHL: 744 feet from the North line and 1181 feet from the West line,  
(Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 240 feet from the North line and 330 feet from the West line,  
(Unit D) of Section 9, Township 23 South, Range 28 East, NMPM.

**Jack Sleeper Com Well No. 202H, API No. 30-015-Pending**

SHL: 744 feet from the North line and 1248 feet from the West line,  
(Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 240 feet from the North line and 2310 feet from the West line,  
(Unit C) of Section 9, Township 23 South, Range 28 East, NMPM

**Jack Sleeper Com Well No. 222H, API No. 30-015-Pending**

SHL: 675 feet from the North line and 1231 feet from the West line,  
(Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 240 feet from the North line and 2310 feet from the West line,  
(Unit C) of Section 9, Township 23 South, Range 28 East, NMPM

**For Proposed Wells:**

Completion Target:  
Wolfcamp at approximately 9500 feet and 10350 TVD  
Well Orientation: South to North  
Completion Location expected to be: Standard

SEP 11 2020

BLM, NMSO  
SANTA FEFederal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 12th day of July, 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

## WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

W/2 of Section 9 & the W/2 of Section 16, Township 23S, Range 28 E, Eddy County, New Mexico.

Containing 640.00 acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formations.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Matador Production Company, 5400 LBJ Freeway, Suite 1500, Dallas, TX, 75240. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty

due the United States, as specified in the applicable oil and gas operating regulations.

5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is June 19, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative,

with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

By: Craig N. Adams - Executive Vice President  
Name & Title of Authorized Agent

8/27/19  
Date

  
Signature of Authorized Agent  
*Must  
pod*

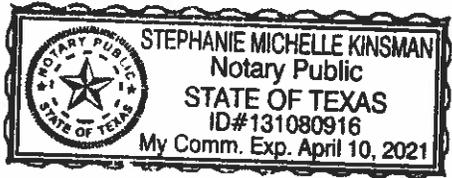
**ACKNOWLEDGEMENT**

STATE OF TEXAS            )  
  )  
COUNTY OF DALLAS        )

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of August 2019, by **Craig N. Adams, Executive Vice President for Matador Production Company** on behalf of said corporation.

My Commission Expires: 4/10/2021

Stephanie M Kinsman  
Notary Public, State of Texas





**WORKING INTEREST OWNER/RECORD TITLE OWNER:**

**MRC Permian Company**

Date: 8/27/19

By: [Signature]

Name: Craig N. Adams

*Trust  
filed*

Title: Executive Vice President

**Novo Oil & Gas Northern Delaware, LLC**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**BEXP I, LP**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF TEXAS )

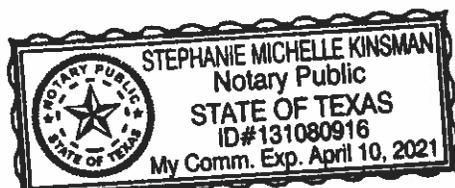
)

COUNTY OF DALLAS )

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of August 2019, by **Craig N. Adams, Executive Vice President of MRC Permian Company, a Texas corporation**, on behalf of said corporation.

My Commission Expires: 4/10/2021

[Signature]  
Notary Public, State of Texas



**WORKING INTEREST OWNER/RECORD TITLE OWNER:**

**MRC Permian Company**

Date: \_\_\_\_\_ By: \_\_\_\_\_

Name: Craig N. Adams

Title: Executive Vice President

**Novo Oil & Gas Northern Delaware, LLC**

Date: \_\_\_\_\_ By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**BEXP I, LP**

Date: 9/4/2019

By: 

Name: Keith P. Lize

Title: President & CEO

**ACKNOWLEDGEMENT**

STATE OF TEXAS )

)

COUNTY OF DALLAS )

)

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_ 2019, by **Craig N. Adams, Executive Vice President of MRC Permian Company, a Texas corporation**, on behalf of said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public, State of Texas

**ACKNOWLEDGEMENT**

STATE OF )  
 )  
COUNTY )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2019,  
by \_\_\_\_\_, in his/her capacity as \_\_\_\_\_ of  
\_\_\_\_\_, on behalf of said corporation.

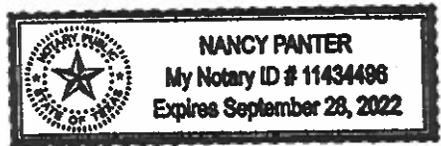
My Commission Expires: \_\_\_\_\_  
Notary Public

**ACKNOWLEDGEMENT**

STATE OF Texas )  
 )  
COUNTY Travis )

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of Sept., 2019,  
by Keith P. Lillie, in his/her capacity as President + CEO of  
BEXP 1, LP, on behalf of said corporation.

My Commission Expires: Sept. 28, 2022  
Nancy Panter  
Notary Public



WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD

OXY USA Inc.

By:

*John V. Schneider*

*John V. Schneider*

Print Name

Date:

*9/4/2020*

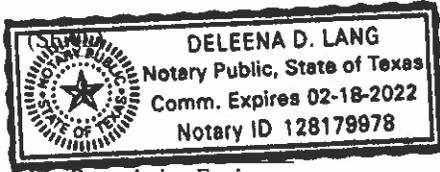
ACKNOWLEDGEMENT

STATE OF Texas )

) ss.

COUNTY OF Harris )

On this 4<sup>th</sup> day of September 2020 before me, a Notary Public for the State of Texas personally appeared John V. Schneider known to me to be the Authorized Rep of Oxy USA Inc. the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.



My Commission Expires

*Deleena D. Lang*  
Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**Devon Energy Production** Company, L.P.

By: Catherine Lebsack vfr  
Catherine Lebsack, Vice President

Date: Print Name August 11, 2020

**ACKNOWLEDGEMENT**

STATE OF OKLAHOMA )  
 ) ss.  
COUNTY OF OKLAHOMA )

The foregoing instrument was acknowledged before me on this 11<sup>th</sup>  
day of August, 2020 by Catherine Lebsack, Vice President of  
Devon Energy Production Company, L.P., an Oklahoma limited partnership,  
on behalf of said limited partnership.

(SEAL)

5/7/23  
My Commission Expires

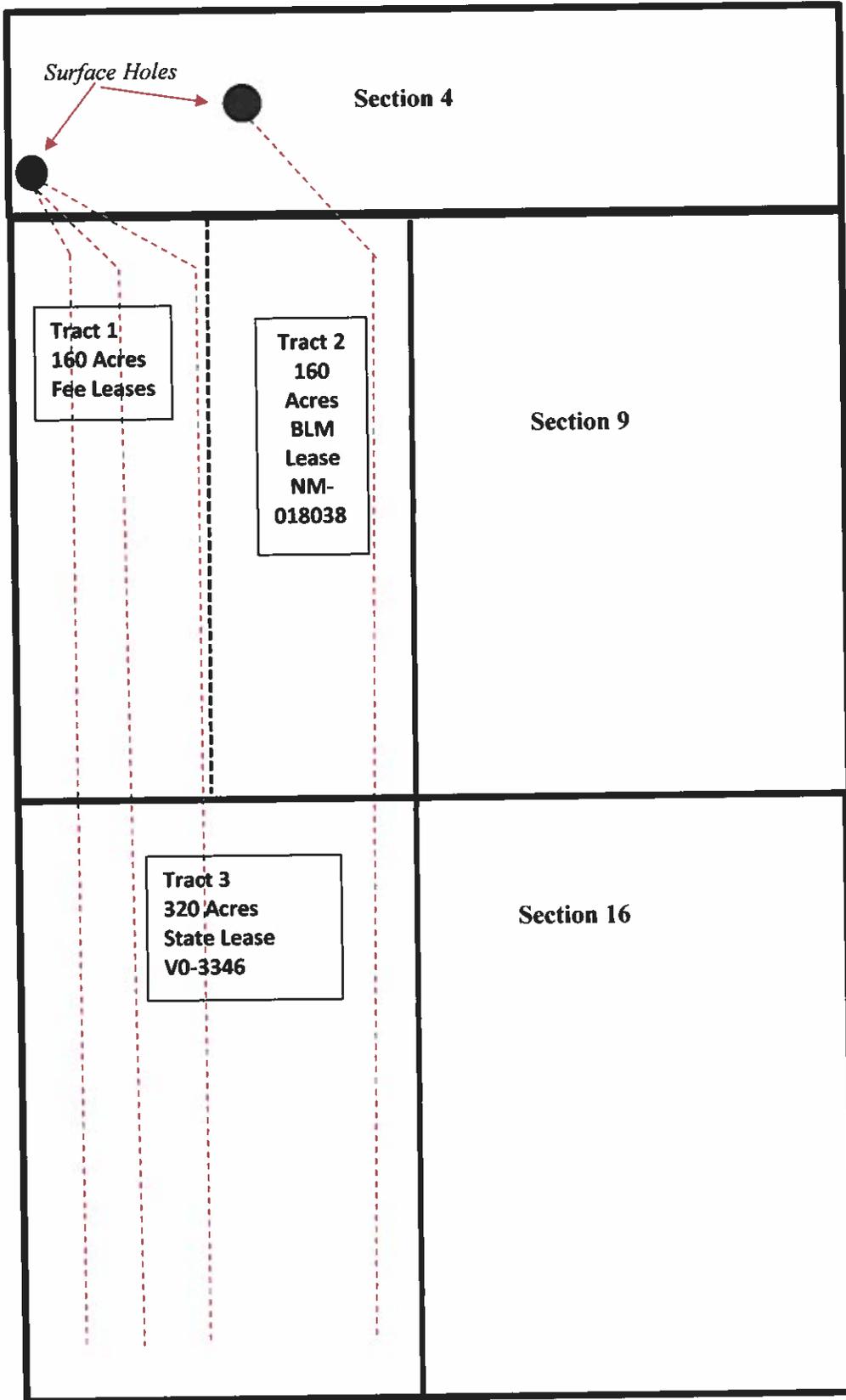


Clint Dake  
Notary Public



# EXHIBIT "A"

Plat of communitized area covering 640.00 acres in W/2 of Section 9 and the W/2 of Section 16, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.



## EXHIBIT "B"

To Communitization Agreement Dated June 19, 2019 embracing the following described land in W/2 of Section 9 and the W/2 of Section 16, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: Matador Production Company

### DESCRIPTION OF LEASES COMMITTED

#### Tract No. 1

Lessor: **Fee Leases**

Description of Land Committed: Township 23 South, Range 28 East,  
Section 9: W/2 W/2, N.M.P.M., Eddy  
County, New Mexico

Number of Gross Acres: 160

Authority for Pooling: Leases contain a provision authorizing pooling in  
accordance with the acreage requirement of  
the agreement

Current Lessees of Record: MRC Permian Company  
Novo Oil & Gas Northern Delaware, LLC  
BEXP I, LP  
Marathon Oil Company (Compulsory Pooled)  
OXY USA Inc.

Name of Working Interest Owners: MRC Permian Company  
Novo Oil & Gas Northern Delaware, LLC  
BEXP I, LP  
Marathon Oil Company (Compulsory Pooled)  
OXY USA Inc.

Name of Overriding Royalty Interest  
Owners: Galber Investments, LLC  
Llano Natural Resources, LLC

#### Tract No. 2

Lease Serial Number: The United States of America -NM-018038

Description of Land Committed: Township 23 South, Range 28 East,  
Section 9: E/2 W/2, N.M.P.M., Eddy County,  
New Mexico

Number of Gross Acres: 160.00

Current Lessee of Record: Devon Energy Production

Name of Working Interest Owners: MRC Permian Company

Name of Overriding Royalty Interest  
Owners: Farris C. Joseph, marital status unknown

Tract No. 3

Lease Serial Number: State of New Mexico – V0-3346  
Description of Land Committed: Township 23 South, Range 28 East,  
Section 16: W/2, N.M.P.M., Eddy County,  
New Mexico  
Number of Acres: 320  
Current Lessee of Record: MRC Permian Company  
Name of Working Interest Owners: MRC Permian Company  
Name of Overriding Royalty Interest  
Owners: Thomas R. Nickoloff  
Chalcam Exploration, LLC  
David Petroleum Corp

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160	25.00%
2	160	25.00%
3	320	50.00%
<b>Total</b>	<b>640</b>	<b>100.00%</b>

**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 TO  
CONSIDER:**

**CASE NO. 20327  
ORDER NO. R-20630**

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

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on April 4 2019, at Santa Fe, New Mexico, before Examiner Michael A. McMillan.

NOW, on this 19<sup>th</sup> day of June 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

**FINDS THAT**

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) No other party entered an appearance in this case or otherwise opposed this application.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
  - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.

- 
- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
  - (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooling depths or formation(s) within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the Well(s).

(14) Exhibit "A" and its details should be accepted and made a part of this order.

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**IT IS THEREFORE ORDERED THAT**

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month in the year following the date of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each

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known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 90 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

- (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit A) of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs" reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall

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be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 70-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

Handwritten signature of Adrienne Sandoval in blue ink.

ADRIENNE SANDOVAL  
Director

**Exhibit A**

Applicant: Matador Production Company  
Operator: Matador Production Company (OGRID 228937)

Cases Consolidated for Hearing: N/A

Spacing Unit: Horizontal Gas  
Building Blocks: 320 acres (more or less)  
Size (more or less): 640 acres (more or less)  
Orientation of Unit: North/South  
Unit Description: W/2 of Section 9 and W/2 of Section 16, all in Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico

Pooling this Vertical Extent: Wolfcamp Formation  
Depth Severance? (Yes/No): No  
Pool: Purple Sage; Wolfcamp (Gas) (Pool code 98220)  
Pool Spacing Unit Size: Half Section or quarter-section  
Governing Well Setbacks: Special pool rules for the Purple Sage; Wolfcamp (Gas) Pool, promulgated in Order No. R-14262 issued in Case No. 15535 which has 330 foot offsets from any Unit boundary within a standard 320-acre, deep gas spacing unit.  
Pool Rules: Purple Sage; Wolfcamp (Gas) Special pool rules

Proximity Tracts: None Included

Monthly charge for supervision: While drilling: \$8000 While producing: \$800

As the charge for risk, 200 percent of reasonable well costs.

**There are five Proposed Wells:**

**Jack Sleeper Com Well No. 201H, API No. 30-015-Pending**

SHL: 240 feet from the North line and 330 feet from the West line, (Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 761 feet from the North line and 1156 feet from the East line, (Unit D) of Section 9, Township 23 South, Range 28 East, NMPM.

**Jack Sleeper Com Well No. 215H, API No. 30-015-Pending**

SHL: 736 feet from the North line and 1140 feet from the West line, (Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 240 feet from the North line and 1320 feet from the West line, (Unit D) of Section 9, Township 23 South, Range 28 East, NMPM.

**Jack Sleeper Com Well No. 221H, API No. 30-015-Pending**

SHL: 744 feet from the North line and 1181 feet from the West line,  
(Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 240 feet from the North line and 330 feet from the West line,  
(Unit D) of Section 9, Township 23 South, Range 28 East, NMPM.

**Jack Sleeper Com Well No. 202H, API No. 30-015-Pending**

SHL: 744 feet from the North line and 1248 feet from the West line,  
(Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 240 feet from the North line and 2310 feet from the West line,  
(Unit C) of Section 9, Township 23 South, Range 28 East, NMPM

**Jack Sleeper Com Well No. 222H, API No. 30-015-Pending**

SHL: 675 feet from the North line and 1231 feet from the West line,  
(Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 240 feet from the North line and 2310 feet from the West line,  
(Unit C) of Section 9, Township 23 South, Range 28 East, NMPM

**For Proposed Wells:**

Completion Target:  
Wolfcamp at approximately 9500 feet and 10350 TVD  
Well Orientation: South to North  
Completion Location expected to be: Standard

SEP 11 2020

BLM, NMSO  
SANTA FE**COPY**Federal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 12th day of July, 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

## WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

W/2 of Section 9 & the W/2 of Section 16, Township 23S, Range 28 E, Eddy County, New Mexico.

Containing 640.00 acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formations.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Matador Production Company, 5400 LBJ Freeway, Suite 1500, Dallas, TX, 75240. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty

due the United States, as specified in the applicable oil and gas operating regulations.

5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is June 19, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative,

with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

By: Craig N. Adams – Executive Vice President  
Name & Title of Authorized Agent

8/27/19  
Date

  
Signature of Authorized Agent

*Must  
add*

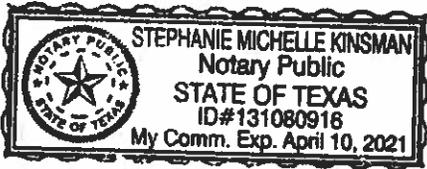
**ACKNOWLEDGEMENT**

STATE OF TEXAS            )  
  )  
COUNTY OF DALLAS        )

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of August 2019, by **Craig N. Adams, Executive Vice President for Matador Production Company** on behalf of said corporation.

My Commission Expires: 4/10/2021

Stephanie M Kinsman  
Notary Public, State of Texas



EXD. #

EXD. #





**WORKING INTEREST OWNER/RECORD TITLE OWNER:**

**MRC Permian Company**

Date: \_\_\_\_\_ By: \_\_\_\_\_

Name: Craig N. Adams

Title: Executive Vice President

**Novo Oil & Gas Northern Delaware, LLC**

Date: \_\_\_\_\_ By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**BEXP I, LP**

Date: 9/4/2019

By: 

Name: Keith P. Lile

Title: President & CEO

**ACKNOWLEDGEMENT**

STATE OF TEXAS )

COUNTY OF DALLAS )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_ 2019, by **Craig N. Adams, Executive Vice President of MRC Permian Company, a Texas corporation**, on behalf of said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public, State of Texas

**ACKNOWLEDGEMENT**

STATE OF )  
 )  
COUNTY )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2019,  
by \_\_\_\_\_, in his/her capacity as \_\_\_\_\_ of  
\_\_\_\_\_, on behalf of said corporation.

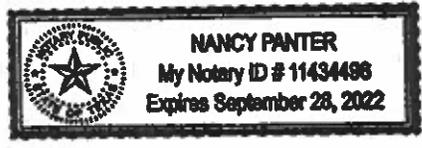
My Commission Expires: \_\_\_\_\_  
Notary Public

**ACKNOWLEDGEMENT**

STATE OF Texas )  
 )  
COUNTY Travis )

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of Sept., 2019,  
by Kerth P. Lilie, in his/her capacity as President + CEO of  
BEXP 1, LP, on behalf of said corporation.

My Commission Expires: Sept 28, 2022  
Nancy Panter  
Notary Public







WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD

Novo Oil & Gas Northern Delaware, LLC

By: Tim Fuhler

Tim Fuhler, CEO

Print Name

Date: 9/3/2020

ACKNOWLEDGEMENT

STATE OF Oklahoma )

) ss.

COUNTY OF Oklahoma )

On this 3 day of Sept, 2020 before me, a Notary Public for the State of Oklahoma personally appeared Tim Fuhler known to me to be the CEO of Novo Oil & Gas North Del., LLC, the corporation that executed the foregoing instrument and acknowledged to me that such corporation executed the same.

(SEAL)

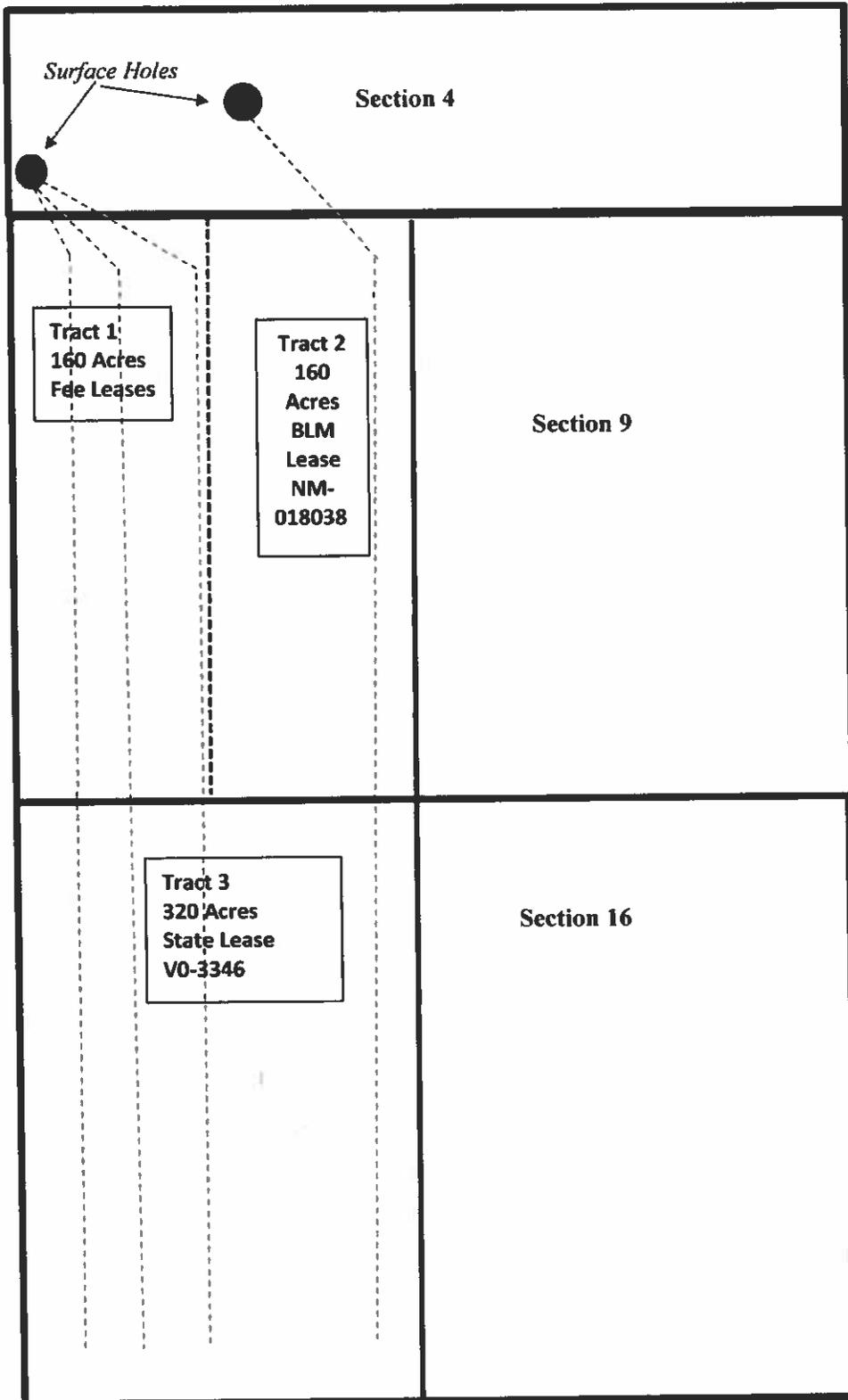


5/22/24  
My Commission Expires

Justin Carter  
Notary Public

### EXHIBIT "A"

Plat of communitized area covering 640.00 acres in W/2 of Section 9 and the W/2 of Section 16, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.



## EXHIBIT "B"

To Communitization Agreement Dated June 19, 2019 embracing the following described land in W/2 of Section 9 and the W/2 of Section 16, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: Matador Production Company

### DESCRIPTION OF LEASES COMMITTED

#### Tract No. 1

Lessor: **Fee Leases**

Description of Land Committed: Township 23 South, Range 28 East,  
Section 9: W/2 W/2, N.M.P.M., Eddy  
County, New Mexico

Number of Gross Acres: 160

Authority for Pooling: Leases contain a provision authorizing pooling in  
accordance with the acreage requirement of  
the agreement

Current Lessees of Record: MRC Permian Company  
Novo Oil & Gas Northern Delaware, LLC  
BEXP I, LP  
Marathon Oil Company (Compulsory Pooled)  
OXY USA Inc.

Name of Working Interest Owners: MRC Permian Company  
Novo Oil & Gas Northern Delaware, LLC  
BEXP I, LP  
Marathon Oil Company (Compulsory Pooled)  
OXY USA Inc.

Name of Overriding Royalty Interest  
Owners: Galber Investments, LLC  
Llano Natural Resources, LLC

#### Tract No. 2

Lease Serial Number: The United States of America -NM-018038

Description of Land Committed: Township 23 South, Range 28 East,  
Section 9: E/2 W/2, N.M.P.M., Eddy County,  
New Mexico

Number of Gross Acres: 160.00

Current Lessee of Record: Devon Energy Production

Name of Working Interest Owners: MRC Permian Company

Name of Overriding Royalty Interest  
Owners: Farris C. Joseph, marital status unknown

Tract No. 3

Lease Serial Number: State of New Mexico – V0-3346  
Description of Land Committed: Township 23 South, Range 28 East,  
Section 16: W/2, N.M.P.M., Eddy County,  
New Mexico  
Number of Acres: 320  
Current Lessee of Record: MRC Permian Company  
Name of Working Interest Owners: MRC Permian Company  
Name of Overriding Royalty Interest  
Owners: Thomas R. Nickoloff  
Chalcam Exploration, LLC  
David Petroleum Corp

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160	25.00%
2	160	25.00%
3	320	50.00%
<b>Total</b>	<b>640</b>	<b>100.00%</b>

**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 TO  
CONSIDER:**

**CASE NO. 20327  
ORDER NO. R-20630**

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

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on April 4 2019, at Santa Fe, New Mexico, before Examiner Michael A. McMillan.

NOW, on this 19<sup>th</sup> day of June 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

**FINDS THAT**

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) No other party entered an appearance in this case or otherwise opposed this application.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
  - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.

- 
- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
  - (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooling depths or formation(s) within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the Well(s).

(14) Exhibit "A" and its details should be accepted and made a part of this order.

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**IT IS THEREFORE ORDERED THAT**

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month in the year following the date of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each

known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 90 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

- (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit A) of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs" reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall

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be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 70-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

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(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEA

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL  
Director

**Exhibit A**

Applicant: Matador Production Company  
Operator: Matador Production Company (OGRID 228937)

Cases Consolidated for Hearing: N/A

Spacing Unit: Horizontal Gas  
Building Blocks: 320 acres (more or less)  
Size (more or less): 640 acres (more or less)  
Orientation of Unit: North/South  
Unit Description: W/2 of Section 9 and W/2 of Section 16, all in Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico

Pooling this Vertical Extent: Wolfcamp Formation  
Depth Severance? (Yes/No): No  
Pool: Purple Sage; Wolfcamp (Gas) (Pool code 98220)  
Pool Spacing Unit Size: Half Section or quarter-section  
Governing Well Setbacks: Special pool rules for the Purple Sage; Wolfcamp (Gas) Pool, promulgated in Order No. R-14262 issued in Case No. 15535 which has 330 foot offsets from any Unit boundary within a standard 320-acre, deep gas spacing unit.  
Pool Rules: Purple Sage; Wolfcamp (Gas) Special pool rules

Proximity Tracts: None Included

Monthly charge for supervision: While drilling: \$8000 While producing: \$800

As the charge for risk, 200 percent of reasonable well costs.

**There are five Proposed Wells:**

**Jack Sleeper Com Well No. 201H, API No. 30-015-Pending**

SHL: 240 feet from the North line and 330 feet from the West line, (Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 761 feet from the North line and 1156 feet from the East line, (Unit D) of Section 9, Township 23 South, Range 28 East, NMPM.

**Jack Sleeper Com Well No. 215H, API No. 30-015-Pending**

SHL: 736 feet from the North line and 1140 feet from the West line, (Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 240 feet from the North line and 1320 feet from the West line, (Unit D) of Section 9, Township 23 South, Range 28 East, NMPM.

**Jack Sleeper Com Well No. 221H, API No. 30-015-Pending**

SHL: 744 feet from the North line and 1181 feet from the West line,  
(Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 240 feet from the North line and 330 feet from the West line,  
(Unit D) of Section 9, Township 23 South, Range 28 East, NMPM.

**Jack Sleeper Com Well No. 202H, API No. 30-015-Pending**

SHL: 744 feet from the North line and 1248 feet from the West line,  
(Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 240 feet from the North line and 2310 feet from the West line,  
(Unit C) of Section 9, Township 23 South, Range 28 East, NMPM

**Jack Sleeper Com Well No. 222H, API No. 30-015-Pending**

SHL: 675 feet from the North line and 1231 feet from the West line,  
(Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 240 feet from the North line and 2310 feet from the West line,  
(Unit C) of Section 9, Township 23 South, Range 28 East, NMPM

**For Proposed Wells:**

Completion Target:  
Wolfcamp at approximately 9500 feet and 10350 TVD  
Well Orientation: South to North  
Completion Location expected to be: Standard

**COPY**

**RECEIVED**

Federal Communitization Agreement

SEP 11 2020

Contract No. \_\_\_\_\_

BLM, NMSO  
SANTA FE

THIS AGREEMENT entered into as of the 12th day of July, 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

W/2 of Section 9 & the W/2 of Section 16, Township 23S, Range 28 E, Eddy County, New Mexico.

Containing **640.00** acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formations.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Matador Production Company, 5400 LBJ Freeway, Suite 1500, Dallas, TX, 75240. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty

due the United States, as specified in the applicable oil and gas operating regulations.

5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is June 19, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative,

with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator: Matador Production Company

By: Craig N. Adams – Executive Vice President  
Name & Title of Authorized Agent

8/27/19  
Date

  
Signature of Authorized Agent

*Must  
pdd*

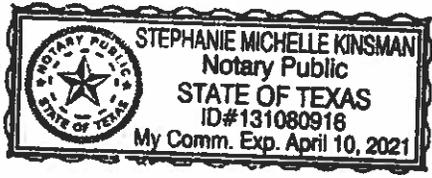
**ACKNOWLEDGEMENT**

STATE OF TEXAS                    )  
  )  
COUNTY OF DALLAS                )

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of August 2019, by **Craig N. Adams, Executive Vice President for Matador Production Company** on behalf of said corporation.

My Commission Expires: 4/10/2021

Stephanie M Kinsman  
Notary Public, State of Texas







**WORKING INTEREST OWNER/RECORD TITLE OWNER:**

**MRC Permian Company**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: Craig N. Adams

Title: Executive Vice President

**Novo Oil & Gas Northern Delaware, LLC**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**BEXP I, LP**

Date: 9/4/2019

By: 

Name: Keith P. Gilre

Title: President & CEO

**ACKNOWLEDGEMENT**

STATE OF TEXAS )

COUNTY OF DALLAS )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_ 2019, by **Craig N. Adams, Executive Vice President** of **MRC Permian Company, a Texas corporation**, on behalf of said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public, State of Texas

**ACKNOWLEDGEMENT**

STATE OF )  
 )  
COUNTY )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2019,  
by \_\_\_\_\_, in his/her capacity as \_\_\_\_\_ of  
\_\_\_\_\_, on behalf of said corporation.

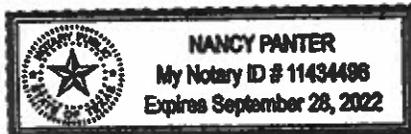
My Commission Expires: \_\_\_\_\_  
Notary Public

**ACKNOWLEDGEMENT**

STATE OF Texas )  
 )  
COUNTY Travis )

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of Sept., 2019,  
by Kern P. Lillie, in his/her capacity as President + CEO of  
BEXP 1, LP, on behalf of said corporation.

My Commission Expires: Sept 28, 2022  
Nancy Panter  
Notary Public



*[Handwritten mark]*

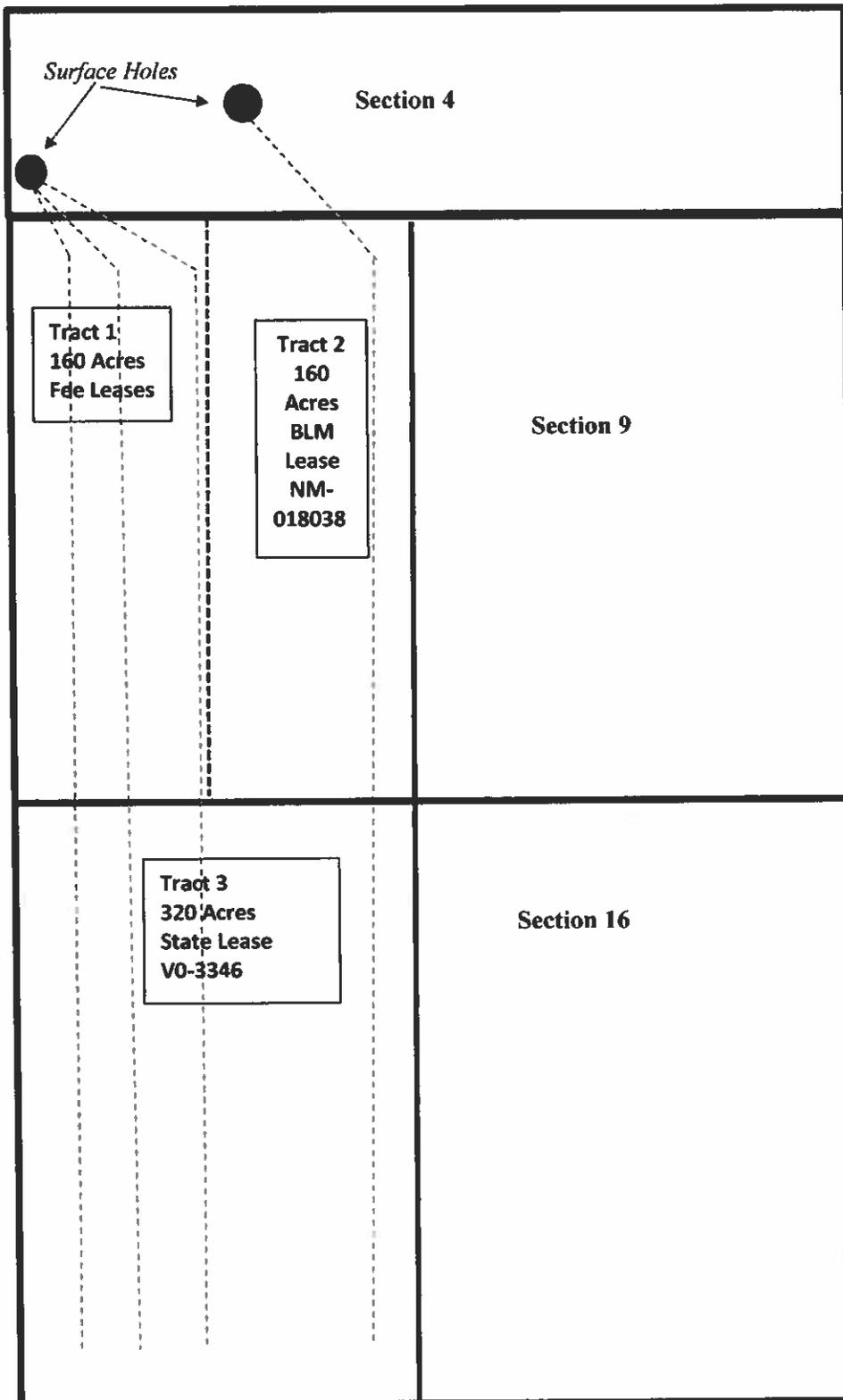






## EXHIBIT "A"

Plat of communitized area covering 640.00 acres in W/2 of Section 9 and the W/2 of Section 16, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.



## EXHIBIT "B"

To Communitization Agreement Dated June 19, 2019 embracing the following described land in W/2 of Section 9 and the W/2 of Section 16, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: Matador Production Company

### DESCRIPTION OF LEASES COMMITTED

#### Tract No. 1

Lessor:	<b>Fee Leases</b>
Description of Land Committed:	Township 23 South, Range 28 East, Section 9: W/2 W/2, N.M.P.M., Eddy County, New Mexico
Number of Gross Acres:	160
Authority for Pooling:	Leases contain a provision authorizing pooling in accordance with the acreage requirement of the agreement
Current Lessees of Record:	MRC Permian Company Novo Oil & Gas Northern Delaware, LLC BEXP I, LP Marathon Oil Company (Compulsory Pooled) OXY USA Inc.
Name of Working Interest Owners:	MRC Permian Company Novo Oil & Gas Northern Delaware, LLC BEXP I, LP Marathon Oil Company (Compulsory Pooled) OXY USA Inc.
Name of Overriding Royalty Interest Owners:	Galber Investments, LLC Llano Natural Resources, LLC

#### Tract No. 2

Lease Serial Number:	The United States of America -NM-018038
Description of Land Committed:	Township 23 South, Range 28 East, Section 9: E/2 W/2, N.M.P.M., Eddy County, New Mexico
Number of Gross Acres:	160.00
Current Lessee of Record:	Devon Energy Production
Name of Working Interest Owners:	MRC Permian Company
Name of Overriding Royalty Interest Owners:	Farris C. Joseph, marital status unknown

Tract No. 3

Lease Serial Number: State of New Mexico – V0-3346

Description of Land Committed: Township 23 South, Range 28 East,  
Section 16: W/2, N.M.P.M., Eddy County,  
New Mexico

Number of Acres: 320

Current Lessee of Record: MRC Permian Company

Name of Working Interest Owners: MRC Permian Company

Name of Overriding Royalty Interest Owners: Thomas R. Nickoloff  
Chalcam Exploration, LLC  
David Petroleum Corp

**RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160	25.00%
2	160	25.00%
3	320	50.00%
<b>Total</b>	<b>640</b>	<b>100.00%</b>

**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 TO  
CONSIDER:**

**CASE NO. 20327  
ORDER NO. R-20630**

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

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on April 4 2019, at Santa Fe, New Mexico, before Examiner Michael A. McMillan.

NOW, on this 19<sup>th</sup> day of June 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

**FINDS THAT**

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) No other party entered an appearance in this case or otherwise opposed this application.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
  - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.

- 
- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
  - (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooling depths or formation(s) within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the Well(s).

(14) Exhibit "A" and its details should be accepted and made a part of this order.

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**IT IS THEREFORE ORDERED THAT**

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month in the year following the date of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each

known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 90 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

- (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit A) of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs" reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall

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be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 70-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

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(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

Handwritten signature of Adrienne Sandoval in blue ink.

ADRIENNE SANDOVAL  
Director

**Exhibit A**

Applicant: Matador Production Company  
Operator: Matador Production Company (OGRID 228937)

Cases Consolidated for Hearing: N/A

Spacing Unit: Horizontal Gas  
Building Blocks: 320 acres (more or less)  
Size (more or less): 640 acres (more or less)  
Orientation of Unit: North/South  
Unit Description: W/2 of Section 9 and W/2 of Section 16, all in Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico

Pooling this Vertical Extent: Wolfcamp Formation  
Depth Severance? (Yes/No): No  
Pool: Purple Sage; Wolfcamp (Gas) (Pool code 98220)  
Pool Spacing Unit Size: Half Section or quarter-section  
Governing Well Setbacks: Special pool rules for the Purple Sage; Wolfcamp (Gas) Pool, promulgated in Order No. R-14262 issued in Case No. 15535 which has 330 foot offsets from any Unit boundary within a standard 320-acre, deep gas spacing unit.  
Pool Rules: Purple Sage; Wolfcamp (Gas) Special pool rules

Proximity Tracts: None Included

Monthly charge for supervision: While drilling: \$8000 While producing: \$800

As the charge for risk, 200 percent of reasonable well costs.

**There are five Proposed Wells:**

**Jack Sleeper Com Well No. 201H, API No. 30-015-Pending**

SHL: 240 feet from the North line and 330 feet from the West line, (Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 761 feet from the North line and 1156 feet from the East line, (Unit D) of Section 9, Township 23 South, Range 28 East, NMPM.

**Jack Sleeper Com Well No. 215H, API No. 30-015-Pending**

SHL: 736 feet from the North line and 1140 feet from the West line, (Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 240 feet from the North line and 1320 feet from the West line, (Unit D) of Section 9, Township 23 South, Range 28 East, NMPM.

**Jack Sleeper Com Well No. 221H, API No. 30-015-Pending**

SHL: 744 feet from the North line and 1181 feet from the West line,  
(Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 240 feet from the North line and 330 feet from the West line,  
(Unit D) of Section 9, Township 23 South, Range 28 East, NMPM.

**Jack Sleeper Com Well No. 202H, API No. 30-015-Pending**

SHL: 744 feet from the North line and 1248 feet from the West line,  
(Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 240 feet from the North line and 2310 feet from the West line,  
(Unit C) of Section 9, Township 23 South, Range 28 East, NMPM

**Jack Sleeper Com Well No. 222H, API No. 30-015-Pending**

SHL: 675 feet from the North line and 1231 feet from the West line,  
(Unit D) of Section 21, Township 23 South, Range 28 East, NMPM.  
BHL: 240 feet from the North line and 2310 feet from the West line,  
(Unit C) of Section 9, Township 23 South, Range 28 East, NMPM

**For Proposed Wells:**

Completion Target:

Wolfcamp at approximately 9500 feet and 10350 TVD

Well Orientation: South to North

Completion Location expected to be: Standard