

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
OCD Artesia

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM134868

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
LEATHERNECK FED COM 132H

9. API Well No.
30-015-46002-00-X1

10. Field and Pool or Exploratory Area
RUSSELL

11. County or Parish, State
EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator Contact: CADE LABOLT
MATADOR PRODUCTION COMPANYE-Mail: cade.labolt@matadorresources.com

3a. Address 3b. Phone No. (include area code)
ONE LINCOLN CENTER 5400 LBJ FREEWAY SUITE 1500 972-629-2158
DALLAS, TX 75240

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 30 T20S R29E SWNW 1540FNL 236FWL
32.547508 N Lat, 104.121788 W Lon

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Change to Original A PD |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

BLM Bond No. NMB001079
Surety Bond No. RLB0015172

Engineering is Good. See attached COA 2S 6-7-19

Please see the attached C102 to revise the SHL of Matador's Leatherneck Fed Com 132H from 1540' FNL and 236' FWL of Sec. 30 T20S R29E to 1570' FNL and 206' FWL of Sec. 30 T20S R29E.

RECEIVED

Matador requests the BHL be revised from 1981' FNL and 240' FWL of Sec. 29 T20S R29E to 2311' FNL and 60' FEL of Sec. 29 T20S R29E. The BHL given represents the terminus of the well. The last perforation point will be 330' FSL and 100' FEL of the referenced spacing unit comprising the N2N2 of Sec. 29 T20S R29E.

JUN 25 2019

Mud

Use Existing EA No new surface disturbance

DISTRICT II-ARTESIA O.C.D.

Approved MW 6-6-2019 DOI-BLM-NM-P020-2019-0268-EA Use Existing COA's

| | |
|--|-------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #467970 verified by the BLM Well Information System For MATADOR PRODUCTION COMPANY, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 06/06/2019 (19PP2330SE) | |
| Name (Printed/Typed) CADE LABOLT | Title ASSOCIATE LANDMAN |
| Signature (Electronic Submission) | Date 06/06/2019 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|----------------------|----------------------|
| Approved By <i>Cade Labolt</i> | Title <i>PPM-CAV</i> | Date <i>6/6/2019</i> |
| Conditions of approval, if any, attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | Office <i>CPD</i> |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

RW 11-4-19

C102 9-22-17

Additional data for EC transaction #467970 that would not fit on the form

32. Additional remarks, continued

Matador requests to change production hole section mud program to OBM.

Name Hole Size Mud Weight Visc Fluid Loss Type Mud
Surface 26" 8.40 28 NC FW Spud Mud
Intermediate 1 17-1/2" 10.00 30-32 NC Brine Water
Intermediate 2 12-1/4" 8.4-8.6 28-30 NC FW
Production 8-3/4" 8.8-9.5 45-55 NC OBM

Matador requests a variance for the use of a diverter along with a 2000 psi annular to be installed after running 20" surface casing.

Matador requests the option to cut off 20" SOW wellhead and run 13-3/8" SOW multi-bowl wellhead system once 1st intermediate string is run and cemented.

Matador requests the option to run a DV tool with annular packer as contingency in the intermediate 1 or 2 section on 13-3/8" or 9-5/8" casing if lost circulation is encountered. If losses occur, the DV tool with packer will be placed at least 100' above the loss zone to give the option to pump cement as either a single stage or two stage.

Example:

Assuming DV tool is set at 1500' MD but if the setting depth changes, cement volumes will be adjusted proportionately.

Stage 1:

Lead 695 1.78 13.5 Class C + Bentonite + 2% CaCL₂ + 3% NaCl + LCM
Tail 288 1.35 14.4 Class C + 5% NaCl + LCM
100% excess, TOC = 0' MD

Stage 2:

Lead 350 1.78 13.5 Class C + Bentonite + 2% CaCL₂ + 3% NaCl + LCM
100% excess, TOC = 0' MD

Matador requests the name of the Leatherneck Fed Com 132H be changed to the Leatherneck 3029 Fed Com 126H.

Revisions to Operator-Submitted EC Data for Sundry Notice #467970

| | Operator Submitted | BLM Revised (AFMSS) |
|----------------|--|--|
| Sundry Type: | APDCH NOI | APDCH NOI |
| Lease: | NMNM134868 | NMNM134868 |
| Agreement: | | |
| Operator: | MATADOR PRODUCTION COMPANY 5400 LBJ FWY SUITE 1500 DALLAS, TX 75240 Ph: 972-371-5200 | MATADOR PRODUCTION COMPANY ONE LINCOLN CENTER 5400 LBJ FREEWAY SUITE 1500 DALLAS, TX 75240 Ph: 972.371.5200 |
| Admin Contact: | CADE LABOLT ASSOCIATE LANDMAN E-Mail: cade.labolt@matadorresources.com Ph: 972-629-2158 | CADE LABOLT ASSOCIATE LANDMAN E-Mail: cade.labolt@matadorresources.com Cell: 3306079741 Ph: 972-629-2158 |
| Tech Contact: | CADE LABOLT ASSOCIATE LANDMAN E-Mail: cade.labolt@matadorresources.com Ph: 972-629-2158 | CADE LABOLT ASSOCIATE LANDMAN E-Mail: cade.labolt@matadorresources.com Cell: 3306079741 Ph: 972-629-2158 |
| Location: | | |
| State: | NM | NM |
| County: | EDDY | EDDY |
| Field/Pool: | AVALON; BONE SPRING | RUSSELL |
| Well/Facility: | LEATHERNECK FED COM 132H Sec 30 T20S R29E Mer NMP 1540FNL 236FWL | LEATHERNECK FED COM 132H Sec 30 T20S R29E SWNW 1540FNL 236FWL 32.547508 N Lat, 104.121788 W Lon |

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

| | |
|--|--|
| OPERATOR'S NAME: LEASE NO.: WELL NAME & NO.: SURFACE HOLE FOOTAGE: BOTTOM HOLE FOOTAGE: LOCATION: COUNTY: | MATADOR PRODUCTION COMPANY NMNM134868 LEATHERNECK FED COM WELLS Section 30, T. 20 S., R 29 E., NMPM Eddy County, New Mexico |
|--|--|

COA

All previous COAs still apply expect the following:

| | | | |
|----------------------|---|--|---------------------------------------|
| H2S | <input checked="" type="radio"/> Yes | <input type="radio"/> No | |
| Potash | <input checked="" type="radio"/> None | <input type="radio"/> Secretary | <input type="radio"/> R-111-P |
| Cave/Karst Potential | <input type="radio"/> Low | <input type="radio"/> Medium | <input checked="" type="radio"/> High |
| Variance | <input type="radio"/> None | <input checked="" type="radio"/> Flex Hose | <input type="radio"/> Other |
| Wellhead | <input type="radio"/> Conventional | <input checked="" type="radio"/> Multibowl | <input type="radio"/> Both |
| Other | <input type="checkbox"/> 4 String Area | <input checked="" type="checkbox"/> Capitan Reef | <input type="checkbox"/> WIPP |
| Other | <input type="checkbox"/> Fluid Filled | <input type="checkbox"/> Cement Squeeze | <input type="checkbox"/> Pilot Hole |
| Special Requirements | <input type="checkbox"/> Water Disposal | <input type="checkbox"/> COM | <input type="checkbox"/> Unit |

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the **CHERRY CANYON** formation. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

1. The **20** inch surface casing shall be set at approximately **400** feet (a minimum of 70 feet (Eddy County) into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to

- include the lead cement)
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the 13-3/8 inch 1st intermediate casing is:

Option 1 (Single Stage):

Cement to surface. If cement does not circulate see B.1.a, c-d above.

Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Option 2: Operator shall contact BLM before starting contingency plan.

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool: Cement to surface. If cement does not circulate, contact the appropriate BLM office.

Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

- ❖ In High Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
- ❖ **Special Capitan Reef requirements.** If lost circulation (50% or greater) occurs below the Base of the Salt, the operator shall do the following:
(Use this for 3 string wells in the Capitan Reef, if 4 string well ensure FW based mud used across the capitan interval)
 - Switch to fresh water mud to protect the Capitan Reef and use fresh water mud until setting the intermediate casing. The appropriate BLM office is to be notified for a PET to witness the switch to fresh water.
 - Daily drilling reports from the Base of the Salt to the setting of the intermediate casing are to be submitted to the BLM CFO engineering staff via e-mail by 0800 hours each morning. Any lost circulation encountered is to be recorded on these drilling reports. The daily drilling report should show mud volume per

shift/tour. Failure to submit these reports will result in an Incidence of Non-Compliance being issued for failure to comply with the Conditions of Approval. If not already planned, the operator shall run a caliper survey for the intermediate well bore and submit to the appropriate BLM office.

3. The minimum required fill of cement behind the **9-5/8 inch 2nd** intermediate casing is:

Option 1 (Single Stage):

- Cement should tie-back at least **50 ft** above the Capitan Reef (**top of Reef is 1225 ft**) into previous casing string. Operator shall provide method of verification.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
 - b. Second stage above DV tool: Cement should tie-back at least **50 ft** above the Capitan Reef (**top of Reef is 1225 ft**) into previous casing string. Operator shall provide method of verification.
4. The minimum required fill of cement behind the **5-1/2 inch** production casing is:
- Cement should tie-back **50 ft** above the Capitan Reef (**top of Reef is 1225 ft**) into the previous casing. Operator shall provide method of verification.

ZS 060719