

Matador Production Company

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

Voice 972.371.5288

chumphreys@matadorresources.com

Cliff Humphreys
Executive Vice President of Completions

July 15, 2025

VIA ELECTRONIC SUBMISSION

Ms. Victoria Venegas
Environmental Bureau
New Mexico Oil Conservation Division
506 W. Texas Ave.
Artesia, NM 88210

Re: Desoto Springs #3 Recycling Containment and Recycling Facility (Facility ID: fVV2234954815; 1RF-498)

Dear Ms. Venegas,

I am writing in connection with Matador Production Company's request to transfer the above-referenced containment and facility permit to Matador Production Company.

The referenced recycling containment and facility was previously operated by Ameredev Operating, LLC. The operatorship of the wells previously operated by Ameredev Operating, LLC (then by its affiliate, Ameredev New Mexico, LLC) has been transferred to Matador Production Company in connection with Matador Production Company's affiliate previously acquiring Ameredev New Mexico, LLC. Accordingly, we are similarly requesting the transfer of the above-referenced containment and facility into Matador Production Company.

This containment and facility are used for the recycling and treatment of produced water in connection with Matador Productions Company's operations, whether it be through using the recycled produced water in completions activities for Matador Production Company's wells or disposing of the recycled produced water by offloading it to third-party midstream companies in lieu of Matador injecting the water in a saltwater disposal well.

If you would like any additional information, please let us know.

Sincerely,



Cliff Humphreys

19.15.34 NMAC - TRANSFER OF PERMIT OR REGISTRATION

The operator shall not transfer a permit or registration without the OCD's prior written approval. A request for transfer of a permit or registration shall identify operator (transferor) and transferee. If the OCD denies the transfer request, it shall notify the operator and the proposed transferee of the denial. Until the OCD approves the transfer and the required financial assurance is in place, the OCD shall not release the transferor's financial assurance, if applicable, and transfer the permit or registration to the transferee.

FACILITY INFORMATION:

Permit or Registration ID: fVV2234954815

Facility Name: Desoto Springs #3 Recycling Containment and Recycling Facility

Legal Description: Unit G of Section 5, Township 26 South, Range 36 East, Lea County, NM

Location: NAD83 Lat: 32.074731 Long: -103.28225

From: Company Name: Ameredev Operating, LLC

Company Address: 2901 Via Fortuna, Suite 600, Austin, Texas 78746

To: Company Name: Matador Production Company

Company Address: 5400 LBJ Fwy, Suite 1500, Dallas, Texas 75240

CERTIFICATION:

Ameredev Operating, LLC hereby requests that the above permit or registration be transferred to Matador Production Company.

Print Name: Parker Reese

OGRID #: 372224

Signature: 

Date: June 25, 2025

Title: President and CEO

Mailing Address: 2901 Via Fortuna, Suite 600, Austin, Texas 78746

Contact Telephone Number: 737-300-4700

Contact Email: preese@ameredev.com

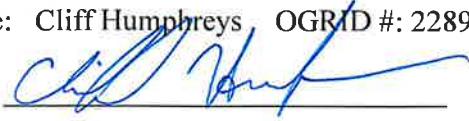
Matador Production Company, by the officer whose signature appears below, accepts this permit or registration, and agrees to comply with all terms and conditions contained herein and with 19.15.34 NMAC. Matador Production Company further acknowledges that the OCD for good cause shown as necessary to protect fresh water, human health, and the environment may change such terms and conditions administratively. Matador Production Company also acknowledges that the surface owner has been notified of the transfer.

Accepted:

Matador Production Company

Print Name: Cliff Humphreys OGRID #: 228937

Signature:



Date:

7/15/2025

Title: Executive Vice President of Completions

Mailing Address: 5400 LBJ Fwy, Suite 1500, Dallas, Texas 75240

Contact Telephone Number: 972-371-5288

Contact Email: chumphreys@matadorresources.com

State of New Mexico
Energy Minerals and Natural Resources
Department Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
<https://www.emnrd.nm.gov/ocd/ocd-e-permitting/>

Form C-147
Revised October 11, 2022

Recycling Facility and/or Recycling Containment

Type of Facility: ☒ Recycling Facility ☒ Recycling Containment*
Type of action: ☒ Permit ☒ Registration
 ☐ Modification ☐ Extension
 ☐ Closure ☒ Other (explain) Transfer of Permit/Registration

*** At the time C-147 is submitted to the division for a Recycling Containment, a copy shall be provided to the surface owner.**

Be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
 Operator: Matador Production Company (For multiple operators attach page with information) OGRID #: 228937
 Address: One Lincoln Center. 5400 LBJ Freeway, Suite 1500, Dallas, TX, 75240
 Facility or well name (include API# if associated with a well): Desoto Springs #3 Recycling Facility
 OCD Permit Number: 1 RF-498 (For new facilities the permit number will be assigned by the district office)
 U/L or Qtr/Qtr G Section 5 Township 26S Range 36E County: Lea
 Surface Owner: ☐ Federal ☐ State ☒ Private ☐ Tribal Trust or Indian Allotment

2.
☒ **Recycling Facility:**
 Location of recycling facility (if applicable): Latitude _____ Longitude _____ NAD83
 Proposed Use: ☒ Drilling* ☒ Completion* ☒ Production* ☒ Plugging*
**The re-use of produced water may NOT be used until fresh water zones are cased and cemented*
☐ Other, *requires permit for other uses. Describe use, process, testing, volume of produced water and ensure there will be no adverse impact on groundwater or surface water.*
☒ Fluid Storage
 ☒ Above ground tanks ☒ Recycling containment ☐ Activity permitted under 19.15.17 NMAC explain type _____
 ☐ Activity permitted under 19.15.36 NMAC explain type: _____ ☐ Other explain _____
 ☒ For multiple or additional recycling containments, attach design and location information of each containment
☐ **Closure Report (required within 60 days of closure completion):** ☐ Recycling Facility Closure Completion Date: _____

3.
☒ **Recycling Containment:**
☐ Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)
 Center of Recycling Containment (if applicable): Latitude _____ Longitude _____ NAD83
☒ For multiple or additional recycling containments, attach design and location information of each containment
☐ Lined ☐ Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
 Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume: _____ bbl Dimensions: L _____ x W _____ x D _____
☐ Recycling Containment Closure Completion Date: _____

4.

Bonding:

- ☒ Covered under bonding pursuant to 19.15.8 NMAC per 19.15.34.15(A)(2) NMAC (These containments are limited to only the wells owned or operated by the owners of the containment.)
- ☐ Bonding in accordance with 19.15.34.15(A)(1). Amount of bond \$ _____ (work on these facilities cannot commence until bonding amounts are approved)
- ☐ Attach closure cost estimate and documentation on how the closure cost was calculated.

5.

Fencing:

- ☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
- ☒ Alternate. Please specify 8' game fence topped with single strand of barbed wire

6.

Signs:

- ☒ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- ☒ Signed in compliance with 19.15.16.8 NMAC

7.

Variances:

Justifications and/or demonstrations that the proposed variance will afford reasonable protection against contamination of fresh water, human health, and the environment.

Check the below box only if a variance is requested:

- ☒ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval. If a Variance is requested, include the variance information on a separate page and attach it to the C-147 as part of the application.

If a Variance is requested, it must be approved prior to implementation.

8.

Siting Criteria for Recycling Containment

Instructions: The applicant must provide attachments that demonstrate compliance for each siting criteria below as part of the application. Potential examples of the siting attachment source material are provided below under each criteria.

General siting**Ground water is less than 50 feet below the bottom of the Recycling Containment.**

NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☒ No
☐ NA

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- Written confirmation or verification from the municipality; written approval obtained from the municipality

☐ Yes ☒ No
☐ NA

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division

☐ Yes ☒ No

Within an unstable area.

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map

☐ Yes ☒ No

Within a 100-year floodplain. FEMA map

☐ Yes ☒ No

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- Topographic map; visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; aerial photo; satellite image

☐ Yes ☒ No

Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application.

- NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within 500 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site

☐ Yes ☒ No

9.

Recycling Facility and/or Containment Checklist:

Instructions: Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.

- ☐ Design Plan - based upon the appropriate requirements.
☐ Operating and Maintenance Plan - based upon the appropriate requirements.
☐ Closure Plan - based upon the appropriate requirements.
☐ Site Specific Groundwater Data -
☐ Siting Criteria Compliance Demonstrations –
☒ Certify that notice of the C-147 (only) has been sent to the surface owner(s)

10.

Operator Application Certification:

I hereby certify that the information and attachments submitted with this application are true, accurate and complete to the best of my knowledge and belief.

Name (Print): James Styers Title: Operations Engineer
Signature: *James Styers* Date: 07/15/2025
e-mail address: james.styers@matadorresources.com Telephone: 405-761-9170

11.

OCD Representative Signature: *Victoria Venegas* Approval Date: 07/23/2025
Title: Environmental Specialist OCD Permit Number: 1RF-498
☒ OCD Conditions
☒ Additional OCD Conditions on Attachment

Recycle Facility/Containments:

1. In Ground Containment
 - a. Location: 32.07473, -103.28225
 - b. Lined: 40 Mil HDPE Secondary and 60 Mil HDPE Primary Liner
 - c. Seams: Welded
 - d. Volume (Below Free board): 984,770 bbls
2. O60K AST
 - a. Location: 32.0760575, -103.2829402
 - b. Lined: 40 Mil dual LLDPE Primary Liner and 60 Mil HDPE Secondary Liner
 - c. Seams: Welded
 - d. Volume: 60,000 bbls
 - e. Dimensions: 12'3.5" Height X 191' Diameter
3. M60 AST
 - a. Location: 32.0758329, -103.2839162
 - b. Lined: 40 Mil LLDPE Secondary and Primary Liner
 - c. Seams: Welded
 - d. Volume: 60,000 bbls
 - e. Dimensions: 12'3.5" Height X 191' Diameter
4. 40K AST
 - a. Location: 32.0758458, -103.2846368
 - b. Lined: 40 Mil LLDPE Secondary and Primary Liner
 - c. Seams: Welded
 - d. Volume: 40,000 bbls
 - e. Dimensions: 12'3.5" Height X 159'2" Diameter

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Wednesday, July 23, 2025 2:04 PM
To: Ben Snapka; james.styers@matadorresources.com
Subject: TRANSFER OF PERMIT OR REGISTRATION 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815]
Attachments: C-147 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815] 07.23.2025.pdf

TRANSFER OF PERMIT OR REGISTRATION 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815].

Good morning Mr. Snapka.

NMOCD has reviewed the permit/registration transfer application received from [228937] MATADOR PRODUCTION COMPANY on 07/16/2025, Application ID **485452**, to transfer permit 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815] from [372224] AMEREDEV OPERATING, LLC to [228937] MATADOR PRODUCTION COMPANY. The form C-147 and related documents are approved for the transfer of permit/registration with the following conditions of approval:

- 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815] permit expires on August 24, 2025.
- **[228937] MATADOR PRODUCTION COMPANY will comply with all conditions previously approved for permit 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815]. No changes to the operations procedures, maintenance, and monitoring procedures, or closing procedures will be made and 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815] must operate as originally permitted.**
- Water reused and recycled from 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815] is limited to wells owned or operated by [228937] MATADOR PRODUCTION COMPANY.
- A minimum of 3-feet freeboard must be maintained at 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815] at all times during operations.
- If less than 20% of the total fluid capacity is utilized every six months, beginning from the first withdrawal, operations of the 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815] are considered ceased and a notification of cessation of operations should be sent electronically to OCD Permitting. A request to extend the cessation of operations, not to exceed six months, may be submitted using a C-147 form through OCD Permitting. If after that 6-month extension period, 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815] is not utilized at a minimum of 20% fluid capacity, no additional extensions would be granted, and the operator would be directed to remove all fluids and proceed with the closure requirements.
- [228937] MATADOR PRODUCTION COMPANY shall submit monthly reports of recycling and reuse of produced water, drilling fluids, and liquid oil field waste on OCD form C-148 via OCD Permitting even if there is zero activity.
- [228937] MATADOR PRODUCTION COMPANY must inspect the 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815] recycling containment and associated leak detection systems weekly while it contains fluids per 19.15.34.13(A). [228937] MATADOR PRODUCTION COMPANY shall maintain a current log of such inspections and make the logs available for review by the Division upon request.

Please let me know if you have any additional questions.

Regards,

Victoria Venegas • Environmental Specialist Advanced
EMNRD - Oil Conservation Division

506 W. Texas Ave. Artesia, NM 88210

575.909.0269 | Victoria.Venegas@emnrd.nm.gov

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 485452

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 485452
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	• 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815] permit expires on August 24, 2025. • [228937] MATADOR PRODUCTION COMPANY will comply with all conditions previously approved for permit 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815]. No changes to the operations procedures, maintenance, and monitoring procedures, or closing procedures will be made and 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815] must operate as originally permitted.	7/23/2025