

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



November 8, 2016

Ms. Dana Arnold
MRC Permian Company
One Lincoln Centre
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

RE: Request for Extension to Commence Drilling of the Paul 25 24S 28E RB Well No. 121H Pursuant to Division Order No. R-15362/Case No. 14082

Dear Ms. Arnold:

Reference is made to your request on behalf of MRC Permian Company ("MRC") received by the Division on October 12, 2016, for the Paul 25 24S 28E RB Well No. 121H (API No. 30-015-43011; "proposed well") with a surface location in Unit D of Section 25, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

It is our understanding that MRC still intends to drill the proposed well but is unable to meet the obligation date of December 31, 2016, included in Ordering Paragraph (5) of Order No. R-14082. MRC has stated that additional time is required due to scheduling constraints

The Division has reviewed your request and hereby extends the final date to commence the drilling of this well to July 1, 2017. All other provisions of Order No. R-14082 remain in full force and effect.

If you have any questions, please contact Michael McMillan at 505.476.3448

A handwritten signature in black ink, reading "David R. Catanach", written over a horizontal line.

DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Artesia District Office
Case No. 15362
Well File API No. 30-015-43011

Jones

Matador Production Company

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

Voice 972.371.5284 • Fax 214.866.4883

darnold@matadorresources.com

10/11/16 12:00 PM

Dana R. Arnold
Operations and Regulatory Counsel

October 11, 2016

SENT VIA FEDEX AND EMAIL

New Mexico Oil Conservation Division
Attn: David Catanach
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**Re: Request for Extended Time related to
Case No. 15362
Order No. R-14082
Paul 25-24S-28E RB No. 121H
359' FNL & 247' FWL
Section 25-24S-28E: N/2 N/2 Spacing Unit
Eddy County, New Mexico**

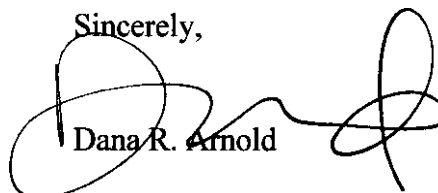
Dear Mr. Catanach:

On December 8, 2015, the NMOCD issued Order R-14082 creating a 160-acre non-standard oil spacing and proration unit for oil production from the Bone Spring formation to be dedicated to Matador Production Company's ("Matador") Paul 25 24S 28E RB Well No. 121H (the "Well"). On account of scheduling constraints, Matador has moved the Well to next year's drill schedule.

Accordingly, pursuant to paragraph 5 of Order R-14082, Matador respectfully requests that the NMOCD grant it an extension, up to and until July 1, 2017, to commence drilling operations on the Well and thereafter continue drilling the Well with due diligence to test the Bone Spring formation.

We appreciate your consideration and please contact me with any questions.

Sincerely,



Dana R. Arnold

cc: Florene Davidson