

RSMP5-200825-C-107B PC-1385

Revised March 23, 2017

RECEIVED: 8/25/20	REVIEWER: DM	TYPE: PC	APP NO: pDM2024031754
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Matador Production Company **OGRID Number:** 228937
Well Name: Ace Stern Vegas Fee 22-21 #137H, #203H, #204H wells **API:** 30-015-47243, -47244, -47246
Pool: (1) Culebra Bluff; Bone Spring, South; (2) Purple Sage; Wolfcamp **Pool Code:** 15011, 98220

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
2) NOTIFICATION REQUIRED TO: Check those which apply.

- A. ☐ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,
 H. ☒ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

3) CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Kaitlyn A. Luck

Print or Type Name

Signature

08/25/20

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



Kaitlyn A. Luck
Phone (505) 954-7286
 kaluck@hollandhart.com

August 25, 2020

VIA ONLINE FILING

Adrienne Sandoval
 Director, Oil Conservation Division
 New Mexico Department of Energy,
 Minerals and Natural Resources
 1220 South Saint Francis Drive
 Santa Fe, New Mexico 87505

Re: Application of Matador Production Company to authorize pool and lease commingling, off-lease storage, off lease measurement, and off-lease marketing at the Ace Stern Vegas Tank Battery located in the NW/4 SW/4 (Unit L) of Section 21, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico.

Dear Ms. Sandoval:

Pursuant to 19.15.12.10.B NMAC, Matador Production Company (OGRID No. 228937) seeks administrative approval for pool and lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the Ace Stern Vegas Tank Battery of production from the Culebra Bluff; Bone Spring, South (15011); and the Purple Sage; Wolfcamp (98220) pools from the following wells located in a "lease" with "identical ownership" as those terms are defined in 19.15.12.7 NMAC:

- (a) The **Ace Stern Vegas Fee 22-21 #137H well** (API No. 30-015-47243) in the Culebra Bluff; Bone Spring, South (15011) underlying the S/2 of Sections 21 and 22;
- (b) The **Ace Stern Vegas Fee 22-21 #203H well** (API No. 30-015-47246), and **Ace Stern Vegas Fee 22-21 #204H well** (API No. 30-015-47244) in the Purple Sage; Wolfcamp Pool (98220) underlying the S/2 of Sections 21 and 22; and
- (c) Any future infill wells within this area of identical ownership.

Oil and gas production from these wells will be commingled and sold at the Ace Stern Vegas Tank Battery located in the NW/4 SW/4 (Unit L) of Section 21. Prior to commingling, gas production from each well will be separately metered using individual test separators with calibrated orifice

meters that are manufactured to AGA specifications. Oil production from each well will also be separately metered using turbine meters.

Exhibit 1 is a land plat showing Matador's current development plan, flow lines, and central tank battery ("production facility") in the subject area. The plat identifies the wellbores, the existing spacing units, and the common surface facilities located in the NW/4 SW/4 (Unit L) of Section 21.

Exhibit 2 includes Form C-102s for each of the wells currently permitted or drilled within the existing spacing units. There are no available production reports for these wells.

Exhibit 3 includes Form C-103s for each of the wells along with a statement from Robert Helbing, Landman, certifying that the mineral ownership of the lands subject to this application is identical. Exhibit 3 also includes a statement from Omar Enriquez, Production Engineer with Matador, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (attachment A to the statement) and a referenced gas sample (attachment B to the statement).

Since only fee acreage is involved in this application, there are no communitization agreements and no notice was required to either the BLM or SLO.

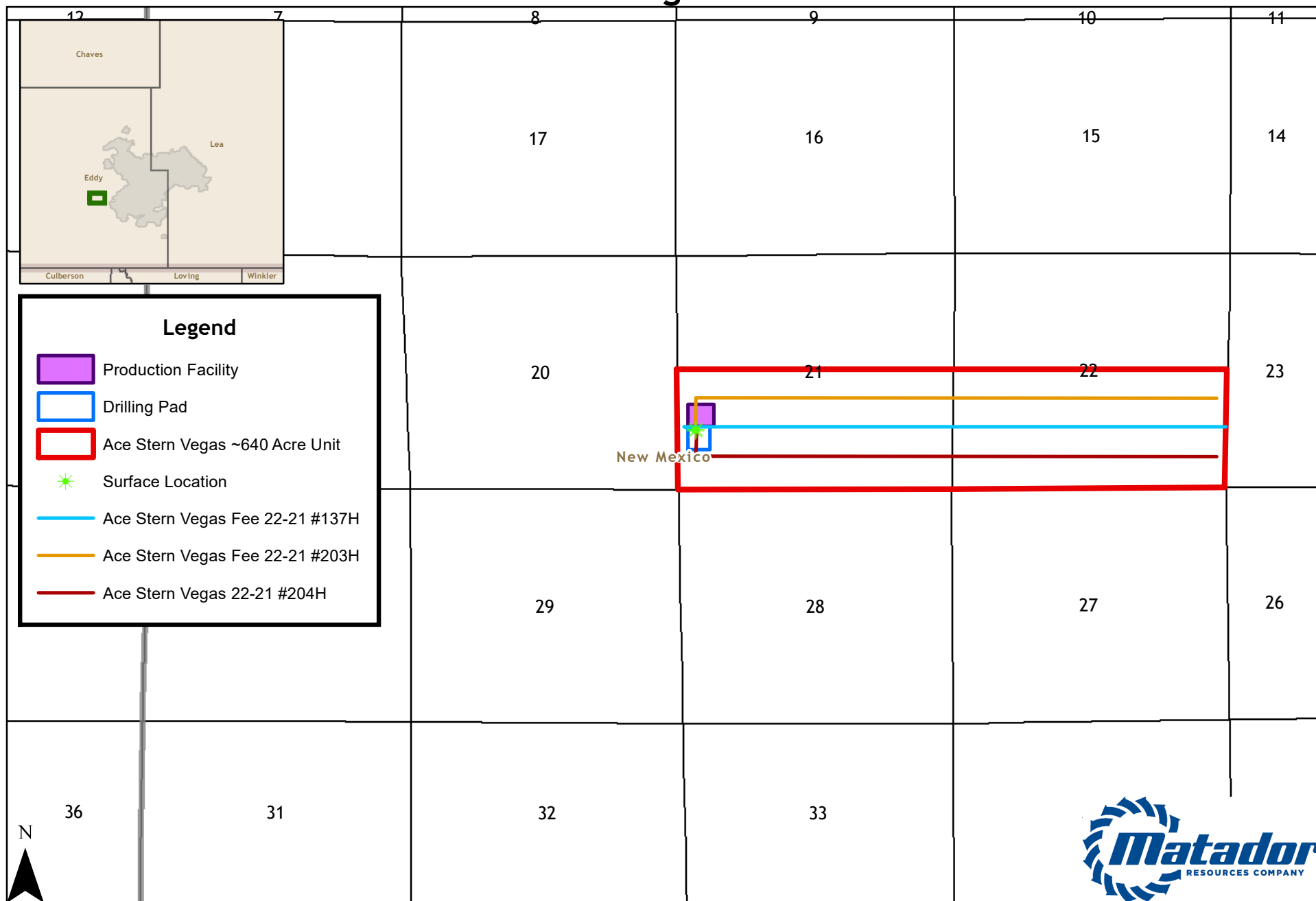
Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck
**ATTORNEY FOR MATADOR PRODUCTION
COMPANY**

Ace Stern Vegas Land Plat



Southeast New Mexico

0 1,500 3,000 6,000 Feet

EXHIBIT 1

Date: 8/5/2020
Document Name: AceSternVegas_Commingling
Coordinate System: GCS WGS 1984

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

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

EXHIBIT 2

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 15011	³ Pool Name Culebra Bluff; Bone Spring, South
⁴ Property Code 322998	⁵ Property Name ACE STERN VEGAS FEE 22-21	⁶ Well Number 137H
⁷ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 3066'

¹⁰Surface Location

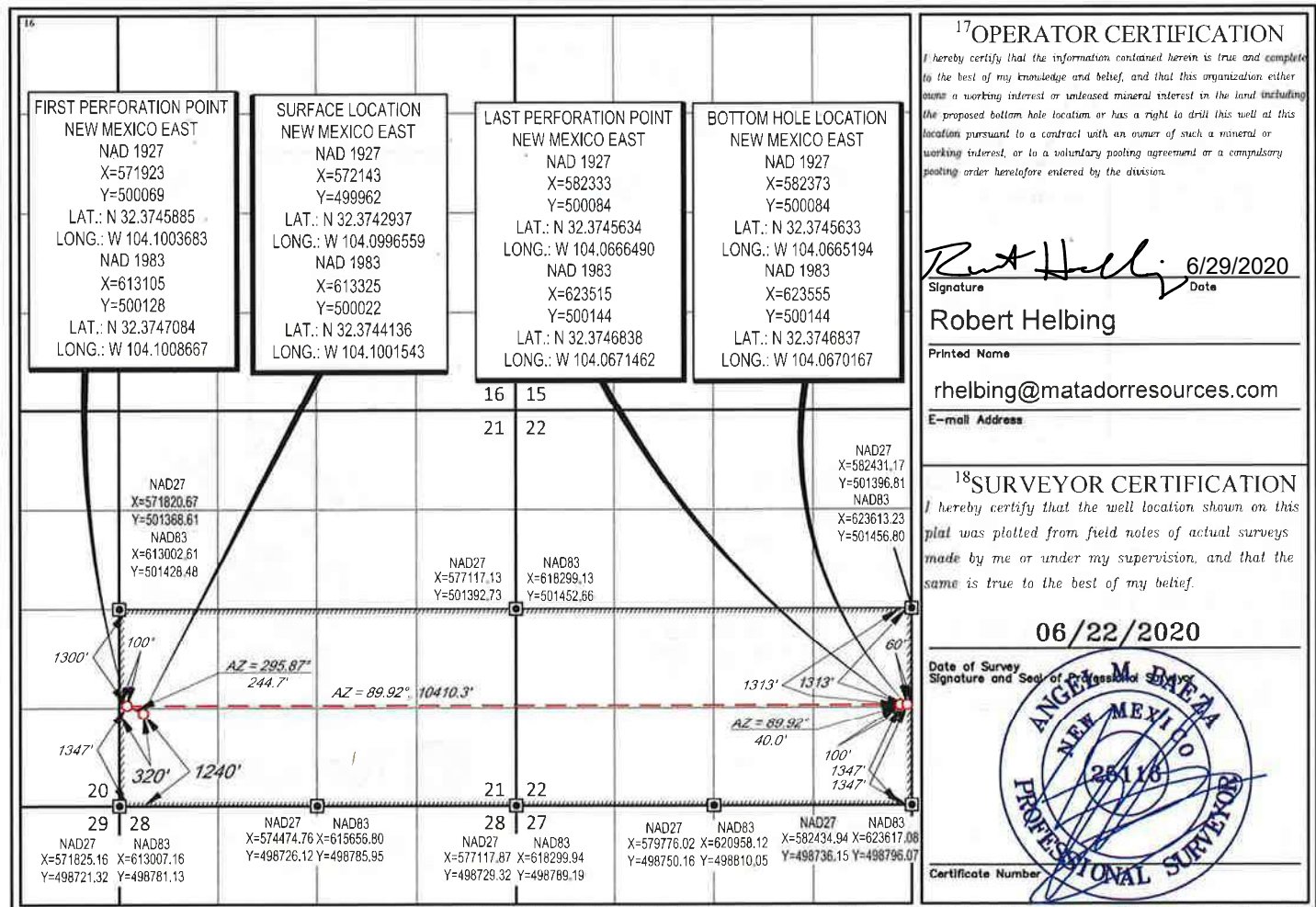
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	21	22-S	28-E	-	1240'	SOUTH	320'	WEST	EDDY

¹¹Bottom 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
I	22	22-S	28-E	-	1347'	SOUTH	60'	EAST	EDDY

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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811 S. First St., Artesia, NM 88210
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State of New Mexico
Energy, Minerals & Natural Resources
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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 98220	³ Pool Name Purple Sage;Wolfcamp (Gas)
⁴ Property Code 322998	⁵ Property Name ACE STERN VEGAS FEE 22-21	⁶ Well Number 203H
⁷ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 3065'

¹⁰Surface Location

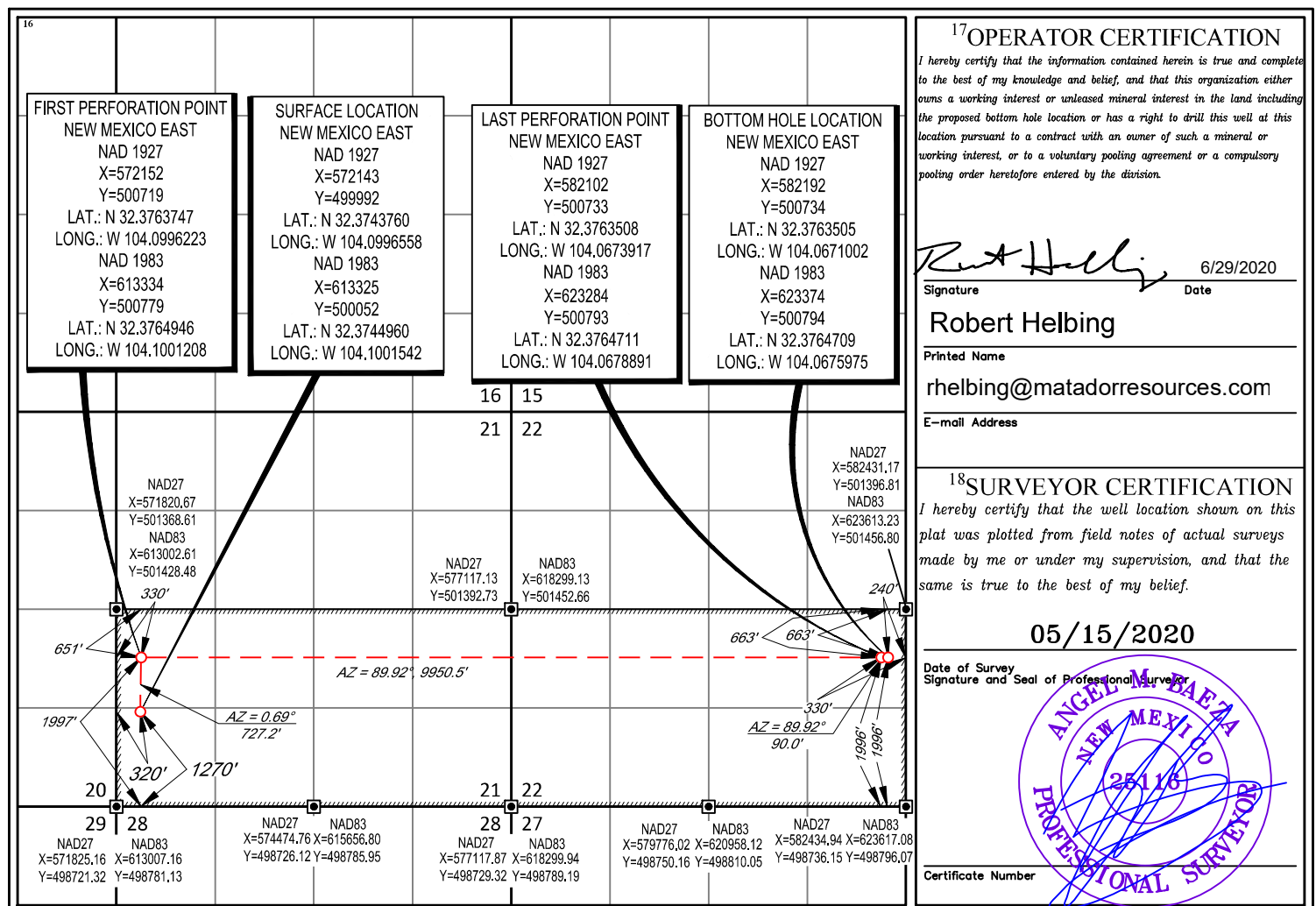
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	21	22-S	28-E	-	1270'	SOUTH	320'	WEST	EDDY

¹¹Bottom 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
I	22	22-S	28-E	-	1996'	SOUTH	240'	EAST	EDDY

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

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State of New Mexico
Energy, Minerals & Natural Resources
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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 98220	³ Pool Name Purple Sage; Wolfcamp (Gas)
⁴ Property Code 322998	⁵ Property Name ACE STERN VEGAS FEE 22-21		⁶ Well Number 204H
⁷ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY		⁹ Elevation 3065'

¹⁰Surface Location

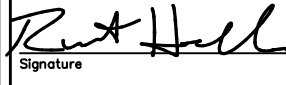
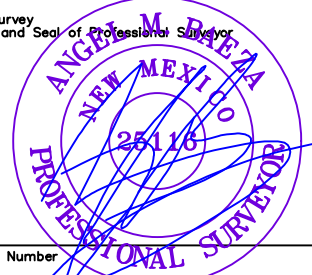
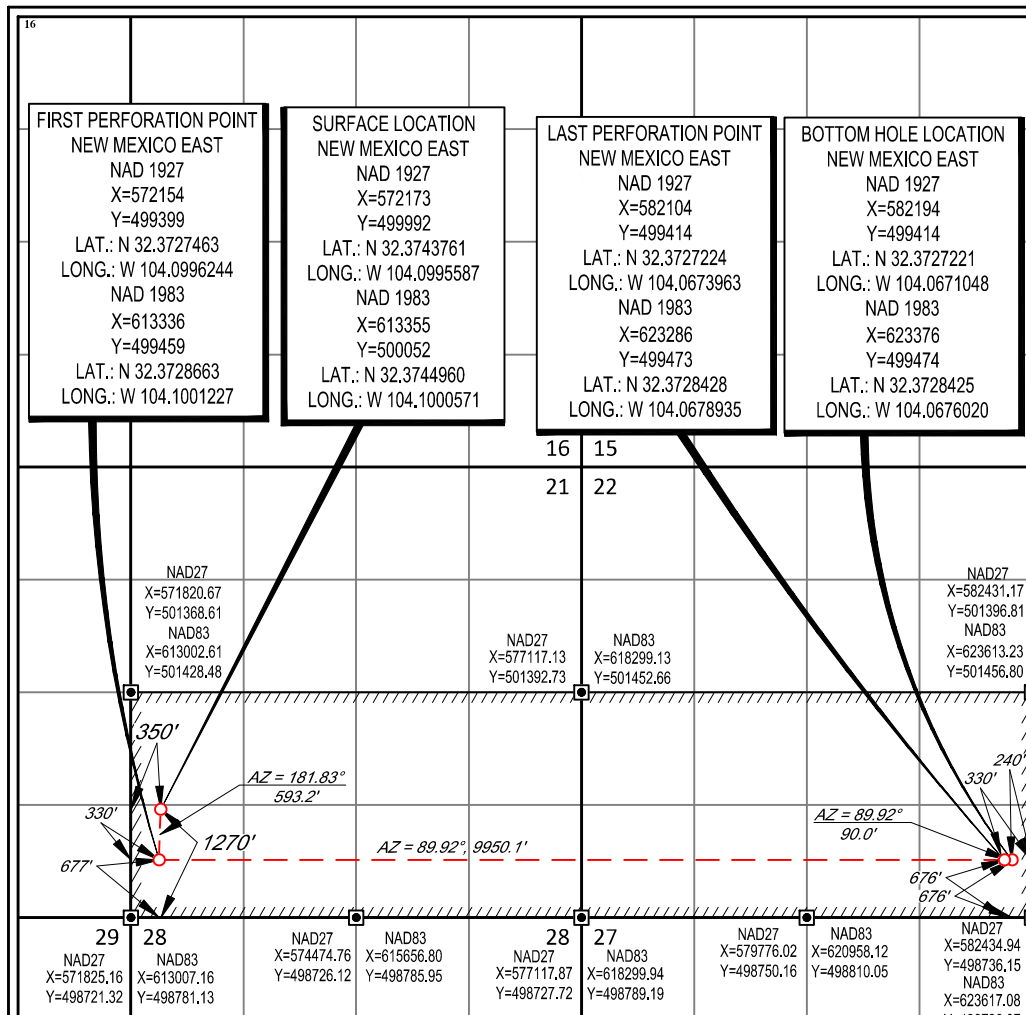
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	21	22-S	28-E	-	1270'	SOUTH	350'	WEST	EDDY

¹¹Bottom 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
P	22	22-S	28-E	-	676'	SOUTH	240'	EAST	EDDY

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

¹⁶ <div style="display: flex; justify-content: space-between;"> <div style="width: 22%;"> FIRST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=572154 Y=499399 LAT.: N 32.3727463 LONG.: W 104.0996244 NAD 1983 X=613336 Y=499459 LAT.: N 32.3728663 LONG.: W 104.1001227 </div> <div style="width: 22%;"> SURFACE LOCATION NEW MEXICO EAST NAD 1927 X=572173 Y=499992 LAT.: N 32.3743761 LONG.: W 104.0995587 NAD 1983 X=613355 Y=500052 LAT.: N 32.3744960 LONG.: W 104.1000571 </div> <div style="width: 22%;"> LAST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=582104 Y=499414 LAT.: N 32.3727224 LONG.: W 104.0673963 NAD 1983 X=623286 Y=499473 LAT.: N 32.3728428 LONG.: W 104.0678935 </div> <div style="width: 22%;"> BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 X=582194 Y=499414 LAT.: N 32.3727221 LONG.: W 104.0671048 NAD 1983 X=623376 Y=499474 LAT.: N 32.3728425 LONG.: W 104.0676020 </div> </div>				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.  6/29/2020 Signature Date Robert Helbing Printed Name rhelbing@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. 05/15/2020 Date of Survey  25116 Signature and Seal of Professional Surveyor ANGEL M. BREZA NEW MEXICO PROFESSIONAL SURVEYOR Certificate Number							

Office

District I – (575) 393-6161
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 1220 S. St. Francis Dr., Santa Fe, NM
 87505

State of New Mexico
 Energy, Minerals and Natural Resources

EXHIBIT 3

Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		WELL API NO. 30-015-47243 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> 6. State Oil & Gas Lease No. N/A
2. Name of Operator Matador Production Company		7. Lease Name or Unit Agreement Name N/A
3. Address of Operator 5400 LBJ Freeway, Ste. 1500, Dallas, Texas 75240		8. Well Number Ace Stern Vegas Fee 22-21 #137H well
4. Well Location Unit Letter M: 1240 feet from the south line and 320 feet from the west line, Section 21, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico		9. OGRID Number 322998
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3066'		10. Pool name or Wildcat Culebra Bluff; Bone Spring, South (15011)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please see application for surface commingling filed pursuant to 19.15.10.12.B NMAC in which Matador Production Company seeks approval of pool and lease commingling, off-lease storage, off lease measurement, and off-lease marketing at the Ace Stern Vegas Tank Battery located in the NW/4 SW/4 (Unit L) of Section 21, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico of production from the following wells located in a "lease" with "identical ownership" as those terms are defined in 19.15.12.7 NMAC:

- (a) The **Ace Stern Vegas Fee 22-21 #137H well** (API No. 30-015-47243) in the Culebra Bluff; Bone Spring, South (15011) underlying the S/2 of Sections 21 and 22; and
- (b) The **Ace Stern Vegas Fee 22-21 #203H well** (API No. 30-015-47246), and **Ace Stern Vegas Fee 22-21 #204H well** (API No. 30-015-47244) in the Purple Sage; Wolfcamp Pool (98220) underlying the S/2 of Sections 21 and 22.

Oil and gas production from these wells will be commingled and sold at the Ace Stern Vegas Tank Battery located in the NW/4 SW/4 (Unit L) of Section 21. Prior to commingling, gas production from each well will be separately metered using individual test separators with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each well will also be separately metered using turbine meters.

Exhibit 1 is a land plat showing Matador's current development plan, flow lines, and central tank battery ("production facility") in the subject area. The plat identifies the wellbores, the existing spacing units, and the common surface facilities located in the NW/4 SW/4 (Unit L) of Section 21.

Exhibit 2 is a C-102 for each of the wells currently permitted or drilled within the existing spacing units included in this identical ownership surface commingling sundry. There are no available production reports for these wells.


Exhibit 3 includes a statement from Robert Helbing, Landman, certifying that the mineral ownership of the lands subject to this sundry is identical. Exhibit 3 also includes a statement from Omar Enriquez, Production Engineer with Matador, identifying the

facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (attachment A to the statement) and a referenced gas sample (attachment B to the statement).

Spud Date: 7/18/20

Rig Release Date: N/A

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE Attorney DATE 8/24/2020

Type or print name _____ E-mail address: _____ PHONE: _____

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

Submit a Copy To Appropriate District
Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-47246
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Matador Production Company		6. State Oil & Gas Lease No. N/A
3. Address of Operator 5400 LBJ Freeway, Ste. 1500, Dallas, Texas 75240		7. Lease Name or Unit Agreement Name N/A
4. Well Location Unit Letter M: 1270 feet from the south line and 320 feet from the west line, Section 21, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico		8. Well Number Ace Stern Vegas Fee 22-21 #203H well
		9. OGRID Number 322998
		10. Pool name or Wildcat Purple Sage; Wolfcamp (98220)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3065'		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please see application for surface commingling filed pursuant to 19.15.10.12.B NMAC in which Matador Production Company seeks approval of pool and lease commingling, off-lease storage, off lease measurement, and off-lease marketing at the Ace Stern Vegas Tank Battery located in the NW/4 SW/4 (Unit L) of Section 21, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico of production from the following wells located in a "lease" with "identical ownership" as those terms are defined in 19.15.12.7 NMAC:

- (a) The **Ace Stern Vegas Fee 22-21 #137H well** (API No. 30-015-47243) in the Culebra Bluff; Bone Spring, South (15011) underlying the S/2 of Sections 21 and 22; and
- (b) The **Ace Stern Vegas Fee 22-21 #203H well** (API No. 30-015-47246), and **Ace Stern Vegas Fee 22-21 #204H well** (API No. 30-015-47244) in the Purple Sage; Wolfcamp Pool (98220) underlying the S/2 of Sections 21 and 22.

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Exhibit 1 is a land plat showing Matador's current development plan, flow lines, and central tank battery ("production facility") in the subject area. The plat identifies the wellbores, the existing spacing units, and the common surface facilities located in the NW/4 SW/4 (Unit L) of Section 21.

Exhibit 2 is a C-102 for each of the wells currently permitted or drilled within the existing spacing units included in this identical ownership surface commingling sundry. There are no available production reports for these wells.


Exhibit 3 includes a statement from Robert Helbing, Landman, certifying that the mineral ownership of the lands subject to this sundry is identical. Exhibit 3 also includes a statement from Omar Enriquez, Production Engineer with Matador, identifying the

facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (attachment A to the statement) and a referenced gas sample (attachment B to the statement).

Spud Date: 7/19/20

Rig Release Date: N/A

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE Attorney DATE 8/24/2020

Type or print name _____ E-mail address: _____ PHONE: _____
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): _____

Submit a Copy To Appropriate District
Office
District I – (575) 393-6161
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1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-47244
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Matador Production Company		6. State Oil & Gas Lease No. N/A
3. Address of Operator 5400 LBJ Freeway, Ste. 1500, Dallas, Texas 75240		7. Lease Name or Unit Agreement Name N/A
4. Well Location Unit Letter M: 1270 feet from the south line and 350 feet from the west line, Section 21, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico		8. Well Number Ace Stern Vegas Fee 22-21 #204H well
		9. OGRID Number 322998
		10. Pool name or Wildcat Purple Sage; Wolfcamp (98220)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3065'		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please see application for surface commingling filed pursuant to 19.15.10.12.B NMAC in which Matador Production Company seeks approval of pool and lease commingling, off-lease storage, off lease measurement, and off-lease marketing at the Ace Stern Vegas Tank Battery located in the NW/4 SW/4 (Unit L) of Section 21, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico of production from the following wells located in a "lease" with "identical ownership" as those terms are defined in 19.15.12.7 NMAC:

- (a) The **Ace Stern Vegas Fee 22-21 #137H well** (API No. 30-015-47243) in the Culebra Bluff; Bone Spring, South (15011) underlying the S/2 of Sections 21 and 22; and
- (b) The **Ace Stern Vegas Fee 22-21 #203H well** (API No. 30-015-47246), and **Ace Stern Vegas Fee 22-21 #204H well** (API No. 30-015-47244) in the Purple Sage; Wolfcamp Pool (98220) underlying the S/2 of Sections 21 and 22.

Oil and gas production from these wells will be commingled and sold at the Ace Stern Vegas Tank Battery located in the NW/4 SW/4 (Unit L) of Section 21. Prior to commingling, gas production from each well will be separately metered using individual test separators with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each well will also be separately metered using turbine meters.

Exhibit 1 is a land plat showing Matador's current development plan, flow lines, and central tank battery ("production facility") in the subject area. The plat identifies the wellbores, the existing spacing units, and the common surface facilities located in the NW/4 SW/4 (Unit L) of Section 21.

Exhibit 2 is a C-102 for each of the wells currently permitted or drilled within the existing spacing units included in this identical ownership surface commingling sundry. There are no available production reports for these wells.


Exhibit 3 includes a statement from Robert Helbing, Landman, certifying that the mineral ownership of the lands subject to this sundry is identical. Exhibit 3 also includes a statement from Omar Enriquez, Production Engineer with Matador, identifying the

facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (attachment A to the statement) and a referenced gas sample (attachment B to the statement).

Spud Date: 7/20/20

Rig Release Date: N/A

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE Attorney DATE 8/24/2020

Type or print name _____ E-mail address: _____ PHONE: _____

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

Matador Production Company

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

Voice 972.629.2163 • Fax 972.371.5201

rhelbing@matadorresources.com

Robert Helbing
Landman

August 20, 2020

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Statement as to Ownership Specific to the Application of Matador Production Company for Administrative Approval to Surface Commingle (Pool and Lease Commingle) Production from the Spacing Units Comprising the S2 of Sections 21 and 22, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico (the "Lands")

Dear NMOCD Staff Member:

The purpose of this letter is to certify that the mineral ownership in the Lands that are the subject of Matador's application is identical, as defined in 19.15.12.7 NMAC, under applicable joint operating agreement.

Very truly yours,



Robert Helbing
Landman

Matador Production Company

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

Voice 972.371.5427 • Fax 972.371.5201

oenriquez@matadorresources.com

Omar Enriquez
Senior Production Engineer

August 13, 2020

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Application of Matador Production Company for administrative approval to surface commingle (pool and lease commingle) production from the spacing units comprising S2 of Sections 21 and 22 Township 22 South, Range 28 East NMPM, Eddy County, New Mexico (the “Lands”)

To Whom This May Concern,

Matador Production Company (“Matador”), OGRID: 228937, requests to commingle oil and gas production from three distinct wells located on the Lands, and future production from the Lands as described herein. All wells will be metered through individual three-phase separators with an oil turbine meter and gas orifice meter. The gas commingling will occur after individual measurement at each well. Gas exiting each separator flows into one gathering line, as depicted on **Exhibit A**, the Longwood RB Pipeline, LLC line. Each well on the Lands will have its own three-phase separator with an orifice meter manufactured and assembled in accordance with American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third-party measurement company in accordance with industry specifications.

The orifice meter is the preferred measurement device utilized by midstream and E&P companies in natural gas measurement. The gas samples are obtained at the time of the meter testing/calibration and the composition and heating value are determined by a laboratory in accordance with American Petroleum Institute (API) specifications to ensure accurate volume and Energy (MMBTU) determinations. See example from Fesco Laboratory attached as **Exhibit B** hereto.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. This PFD shows that the water, oil, and gas exit the wellbore and flow into a wellhead three-phase separator which separates the oil, gas, and water. The oil is measured via turbine meter which is calibrated periodically in accordance with industry specifications by a third-party measurement company for accuracy. The gas is measured on a volume and MMBTU basis by an orifice meter and supporting EFM equipment in accordance with American Petroleum

Association (API) Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other wells' metered gas, as shown on **Exhibit A**. The gathering line gas is then metered by another orifice meter at the tank battery check to show the total volume of gas leaving the Tank Battery. This meter is tested and calibrated in accordance with industry specifications and volume and energy are determined on an hourly, daily, and monthly basis. Once the gas exits this final tank battery sales check it travels directly into a third party sales connect meter. Longwood RB Pipeline, LLC has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

In conclusion, all the oil and gas produced on the Lands will be metered at each wellhead and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard.

Very truly yours,

MATADOR PRODUCTION COMPANY

Omar Enriquez
Production Engineer

OE/bkf
Enclosures



FESCO, Ltd.
1100 Fesco Ave. - Alice, Texas 78332

For: Matador Production Company
One Lincoln Centre
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Sample: Marlan Downey 9 23 35 AR STATE No. 111H
First Stage Separator
Spot Gas sample @ 163 psig & 84 °F

Date Sampled: 10/25/18

Job Number: 84059.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	0.450	
Nitrogen	1.832	
Carbon Dioxide	10.722	
Methane	66.680	
Ethane	12.222	3.347
Propane	5.805	1.637
Isobutane	0.000	0.000
n-Butane	1.223	0.395
2-2 Dimethylpropane	0.013	0.005
Isopentane	0.303	0.113
n-Pentane	0.294	0.109
Hexanes	0.224	0.094
Heptanes Plus	<u>0.232</u>	<u>0.094</u>
Totals	100.000	5.795

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity ----- 3.329 (Air=1)
Molecular Weight ----- 96.04
Gross Heating Value ----- 5039 BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity ----- 0.828 (Air=1)
Compressibility (Z) ----- 0.9960
Molecular Weight ----- 23.88
Gross Heating Value
Dry Basis ----- 1155 BTU/CF
Saturated Basis ----- 1136 BTU/CF

*Hydrogen Sulfide tested on location by: Stain Tube Method (GPA 2377)
Results: 283.0 Gr/100 CF, 4500 PPMV or 0.450 Mol %

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (24) Dennis Field
Analyst: MR
Processor: RG
Cylinder ID: T-4818

Certified: FESCO, Ltd. - Alice, Texas

EXHIBIT 3B

David Dannhaus 361-661-7015

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286
TOTAL REPORT

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	0.450		0.642
Nitrogen	1.832		2.149
Carbon Dioxide	10.722		19.757
Methane	66.680		44.788
Ethane	12.222	3.347	15.387
Propane	5.805	1.637	10.718
Isobutane	0.000	0.000	0.000
n-Butane	1.223	0.395	2.976
2,2 Dimethylpropane	0.013	0.005	0.039
Isopentane	0.303	0.113	0.915
n-Pentane	0.294	0.109	0.888
2,2 Dimethylbutane	0.002	0.001	0.007
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.026	0.011	0.094
2 Methylpentane	0.070	0.030	0.253
3 Methylpentane	0.047	0.020	0.170
n-Hexane	0.079	0.033	0.285
Methylcyclopentane	0.029	0.010	0.102
Benzene	0.017	0.005	0.056
Cyclohexane	0.037	0.013	0.130
2-Methylhexane	0.009	0.004	0.038
3-Methylhexane	0.012	0.006	0.050
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.021	0.009	0.087
n-Heptane	0.018	0.009	0.076
Methylcyclohexane	0.022	0.009	0.090
Toluene	0.024	0.008	0.093
Other C8's	0.018	0.009	0.083
n-Octane	0.005	0.003	0.024
Ethylbenzene	0.003	0.001	0.013
M & P Xylenes	0.004	0.002	0.018
O-Xylene	0.001	0.000	0.004
Other C9's	0.005	0.003	0.026
n-Nonane	0.001	0.001	0.005
Other C10's	0.003	0.002	0.018
n-Decane	0.001	0.001	0.006
Undecanes (11)	<u>0.002</u>	<u>0.001</u>	<u>0.013</u>
Totals	100.000	5.795	100.000

Computed Real Characteristics of Total Sample

Specific Gravity -----	0.828	(Air=1)
Compressibility (Z) -----	0.9960	
Molecular Weight -----	23.88	
Gross Heating Value		
Dry Basis -----	1155	BTU/CF
Saturated Basis -----	1136	BTU/CF

FESCO, Ltd.**1100 Fesco Ave. - Alice, Texas 78332****Sample:** Marlan Downey 9 23 35 AR STATE No. 111H

First Stage Separator

Spot Gas sample @ 163 psig & 84 °F

Date Sampled: 10/25/18

Job Number: 84059.001

GLYCALC FORMAT

COMPONENT	MOL%	GPM	Wt %
Carbon Dioxide	10.722		19.757
Hydrogen Sulfide	0.450		0.642
Nitrogen	1.832		2.149
Methane	66.680		44.788
Ethane	12.222	3.347	15.387
Propane	5.805	1.637	10.718
Isobutane	0.000	0.000	0.000
n-Butane	1.236	0.400	3.015
Isopentane	0.303	0.113	0.915
n-Pentane	0.294	0.109	0.888
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.079	0.033	0.285
Cyclohexane	0.037	0.013	0.130
Other C6's	0.145	0.061	0.524
Heptanes	0.089	0.038	0.353
Methylcyclohexane	0.022	0.009	0.090
2,2,4 Trimethylpentane	0.000	0.000	0.000
Benzene	0.017	0.005	0.056
Toluene	0.024	0.008	0.093
Ethylbenzene	0.003	0.001	0.013
Xylenes	0.005	0.002	0.022
Octanes Plus	<u>0.035</u>	<u>0.018</u>	<u>0.175</u>
Totals	100.000	5.795	100.000

Real Characteristics Of Octanes Plus:

Specific Gravity -----	4.148	(Air=1)
Molecular Weight -----	119.68	
Gross Heating Value -----	6323	BTU/CF

Real Characteristics Of Total Sample:

Specific Gravity -----	0.828	(Air=1)
Compressibility (Z) -----	0.9960	
Molecular Weight -----	23.88	
Gross Heating Value		
Dry Basis -----	1155	BTU/CF
Saturated Basis -----	1136	BTU/CF