

QE6TN-200828-C-107B PLC-564-A

Revised March 23, 2017

RECEIVED: 8/28/20	REVIEWER: DM	TYPE: PLC	APP NO: pMAM1910129176
-------------------	--------------	-----------	------------------------

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:** Administrative Order PLC-564; Northeast Kemnitz Unit 13H **API:** 30-025-46269  
**Pool:** Kemnitz; Lower Wolfcamp **Pool Code:** 35530

**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

August 28, 2020

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



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

August 28, 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 amend Surface Commingling Order PLC-564 to add a well and lease, and to authorize pool and lease commingling, off-lease storage, off-lease measurement, and off-lease marketing, at the Northeast Kemnitz Tank Battery located in the SW/4 SE/4 (Unit O) of Section 22, Township 16 South, Range 34 East, NMPM, Lea County, New Mexico.**

Dear Director Sandoval:

Under Administrative Order PLC-564, attached as **Exhibit 1**, the Division approved Matador Production Company's (OGRID No. 228937) ("Matador") request for pool and lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the **Northeast Kemnitz Tank Battery** of production from the following leases:

- (a) The 160-acre spacing unit comprised of the W/2 E/2 of Section 22, which is currently dedicated to the **Northeast Kemnitz No. 233H well** (API No. 30-025-44722);
- (b) The 320-acre spacing unit comprised of the S/2 of Section 22, which is currently dedicated to the **Northeast Kemnitz 22 State No. 12 well** (API No. 30-025-45449); and
- (c) Pursuant to NMAC 19.15.12.10.C(4)(g), future spacing units connected to this central tank battery with notice provided only to the interest owners within the future spacing units.



August 28, 2020  
Page 2

Pursuant to 19.15.12.7 NMAC, Matador seeks to amend the terms of Administrative Order PLC-564 to add to the terms of the order production from *all existing and future infill wells drilled in the following "lease"/spacing unit*:

- (a) The 40-acre horizontal well spacing unit comprised of the E/2 SW/4 of Section 22, which is currently dedicated to the **Northeast Kemnitz Unit No. 13H well** (API No. 30-025-46269).

Oil and gas production from this "lease"/spacing unit will be commingled and sold at the Northeast Kemnitz Tank Battery located in the SW/4 SE/4 (Unit O) of Section 22. Prior to commingling, gas production from each "lease" will be separately metered using individual test separators with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each "lease" will also be separately metered using turbine meters.

**Exhibit 2** 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 SW/4 SE/4 (Unit O) of Section 22.

**Exhibit 3** is a C-102 for the well currently permitted or drilled within the existing spacing unit, together with existing production reports for all three wells.

**Exhibit 4** is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Omar Enriquez, Senior Production Manager 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).

Pursuant to Administrative Order PLC-564, Matador has provided notice of this application to the interest owners in the well/lease to be added, in accordance with Division Rule 19.15.12.10(C)(4)(g) NMAC. **Exhibit 5** is a list of those interest owners (including any owners of royalty or overriding royalty interests) affected by this application, including the New Mexico State Land Office, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing. A copy of this application has been provided to the New Mexico State Land Office since state lands are involved.

Please note that there are no communitization agreements for this application because the well involves a single lease.

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



August 28, 2020  
Page 3

Sincerely,

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

Kaitlyn A. Luck

**ATTORNEY FOR MATADOR PRODUCTION COMPANY  
COMPANY**

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Todd E. Leahy, JD, PhD**  
Deputy Cabinet Secretary

**Adrienne E. Sandoval, Division Director**  
Oil Conservation Division



March 12, 2019

Surface Commingling Order PLC-564

**MATADOR PRODUCTION COMPANY**

Attention: Mr. Michael Feldewert

Pursuant to your application received on March 22, 2019, Matador Production Company (OGRID 228937) is hereby authorized to surface commingle oil and gas production and off lease-measure from the following pools located in Section 22, Township 16 South, Range 34 East, NMPM, Lea County, New Mexico;

TOWNSEND; PERMO UPPER PENN (59847)  
KEMNITZ; MORROW (GAS) (79440)

and from the following diversely owned state wells and leases in said Section, Township, and Range in Lea County, New Mexico.

Lease: Northeast Kemnitz Well No. 233H Communitization Agreement  
Description: W/2 E/2 of Section 22  
Well: Northeast Kemnitz Well No. 233H API 30-025-44722  
Pool: Townsend; Permo Upper Penn

Lease: Proposed Northeast Kemnitz 22 State Well No. 12 Communitization Agreement  
Description: S/2 of Section 22  
Well: Northeast Kemnitz 22 State Well No. 12 API 30-025-45449  
Pool: Kemnitz; Morrow (Gas)

The commingled oil and gas production from the wells shall be measured and sold at the Northeast Kemnitz Central Tank Battery (CTB), located in Unit O of Section 22, Township 16 South, Range 34 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams by the separator and each stream will be measured individually after it exits the separator, before commingling.

## EXHIBIT 1



Administrative Order PLC-564  
Matador Production Company  
April 12, 2019  
Page 2 of 2

---

For future additions of wells and leases to this commingling operation, notice shall only be given to those interest owners in the wells and leases to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

This approval is subject to like approval from New Mexico State Land Office before commencing commingling operations.

The Operator shall notify the transporter of this commingling authority and the Hobbs District Office prior to implementation of commingling operations.

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations.



---

**ADRIENNE E. SANDOVAL**  
**Oil Conservation Division Director**

AES/mam

cc: Oil Conservation Division – Hobbs  
New Mexico State Land Office – Oil, Gas, and Minerals

# Northeast Kemnitz Land Plat



## EXHIBIT 2

Southeast New Mexico

**EXHIBIT 3**

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

**HOBBS OCD**  
**AUG 02 2019**  
**RECEIVED**

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>30-025-45449</b>		<sup>2</sup> Pool Code <b>79440</b>	<sup>3</sup> Pool Name <b>KEMNITZ;MORROW (GAS)</b>
<sup>4</sup> Property Code <b>323026</b>	<sup>5</sup> Property Name <b>NORTHEAST KEMNITZ 22 STATE</b>		<sup>6</sup> Well Number <b>12</b>
<sup>7</sup> OGRID No. <b>228937</b>	<sup>8</sup> Operator Name <b>MATADOR PRODUCTION COMPANY</b>		<sup>9</sup> Elevation <b>4083'</b>

<sup>10</sup>Surface Location

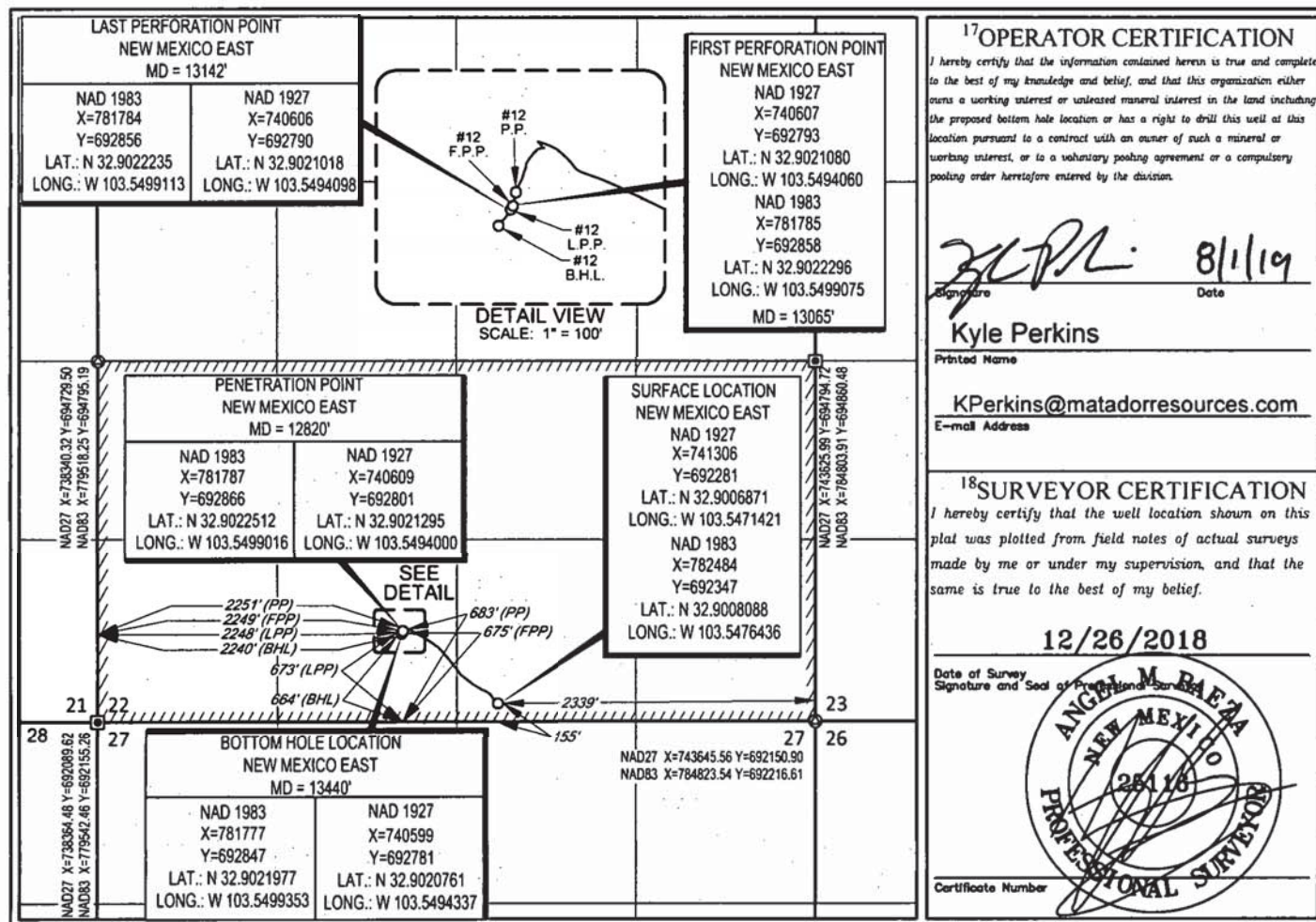
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>0</b>	<b>22</b>	<b>16-S</b>	<b>34-E</b>	<b>-</b>	<b>155'</b>	<b>SOUTH</b>	<b>2339'</b>	<b>EAST</b>	<b>LEA</b>

<sup>11</sup>Bottom Hole Location If Different From Surface

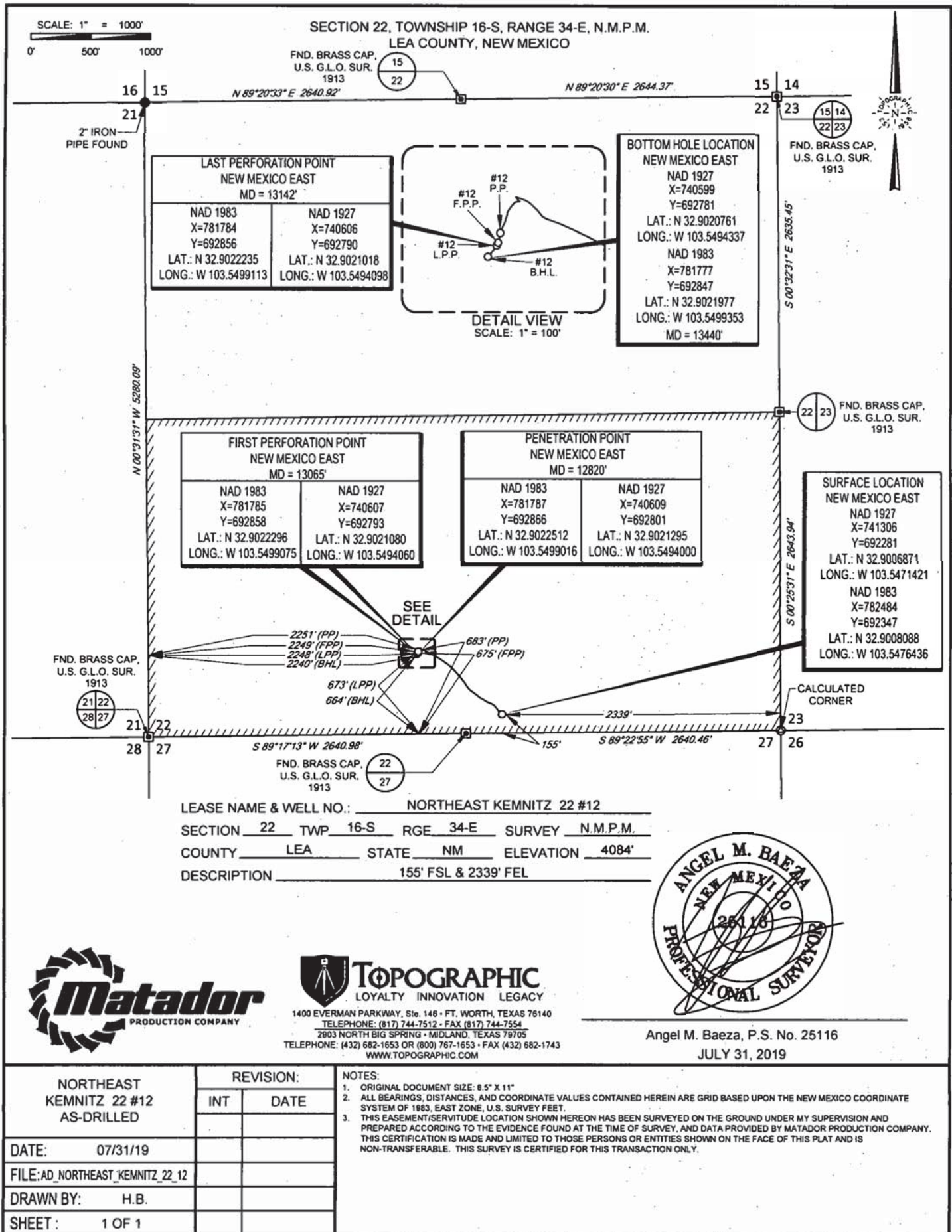
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>N</b>	<b>22</b>	<b>16-S</b>	<b>34-E</b>	<b>-</b>	<b>664'</b>	<b>SOUTH</b>	<b>2240'</b>	<b>WEST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>320</b>	<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.







Production Summary Report API: 30-025-45449 NORTHEAST KEMNITZ 22 STATE #012 Printed On: Thursday, August 20 2020													
				Production				Injection					
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure		
2019	[79440] KEMNITZ;MORROW (GAS)	Apr	1503	33209	132	27	0	0	0	0	0	0	0
2019	[79440] KEMNITZ;MORROW (GAS)	May	1798	77614	59	31	0	0	0	0	0	0	0
2019	[79440] KEMNITZ;MORROW (GAS)	Jun	425	49338	32	30	0	0	0	0	0	0	0
2019	[79440] KEMNITZ;MORROW (GAS)	Jul	63	30119	26	31	0	0	0	0	0	0	0
2019	[79440] KEMNITZ;MORROW (GAS)	Aug	2	4583	0	13	0	0	0	0	0	0	0
2019	[79440] KEMNITZ;MORROW (GAS)	Sep	40	6874	13	26	0	0	0	0	0	0	0
2019	[79440] KEMNITZ;MORROW (GAS)	Oct	89	11250	39	31	0	0	0	0	0	0	0
2019	[79440] KEMNITZ;MORROW (GAS)	Nov	96	9236	35	30	0	0	0	0	0	0	0
2019	[79440] KEMNITZ;MORROW (GAS)	Dec	76	6696	28	31	0	0	0	0	0	0	0
2020	[79440] KEMNITZ;MORROW (GAS)	Jan	34	3313	17	28	0	0	0	0	0	0	0
2020	[79440] KEMNITZ;MORROW (GAS)	Feb	17	923	0	23	0	0	0	0	0	0	0
2020	[79440] KEMNITZ;MORROW (GAS)	Mar	0	408	0	31	0	0	0	0	0	0	0
2020	[79440] KEMNITZ;MORROW (GAS)	Apr	0	323	0	30	0	0	0	0	0	0	0
2020	[79440] KEMNITZ;MORROW (GAS)	May	0	334	0	31	0	0	0	0	0	0	0
2020	[79440] KEMNITZ;MORROW (GAS)	Jun	0	317	0	30	0	0	0	0	0	0	0



## 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

**HOBBS OCD**  
FEB 20 2020

RECEIVED

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

<sup>1</sup> API Number 30-025-46269		<sup>2</sup> Pool Code 35880 35530		<sup>3</sup> Pool Name Kemnitz; Lower Wolfcamp	
<sup>4</sup> Property Code 313507		<sup>5</sup> Property Name NORTHEAST KEMNITZ UNIT			<sup>6</sup> Well Number 13
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 4083'

<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
0	22	16-S	34-E	-	155'	SOUTH	2209'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	22	16-S	34-E	-	660'	SOUTH	1980'	WEST	LEA

<sup>11</sup> Dedicated Acres 8540	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</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.

<p><b>PENETRATION POINT/ FIRST PERF. POINT/ LAST PERF. POINT/ BOTTOM HOLE LOCATION NEW MEXICO EAST</b> NAD 1927 X=740338 Y=692774 LAT.: N 32.9020627 LONG.: W 103.5502823 NAD 1983 X=781516 Y=692840 LAT.: N 32.9021844 LONG.: W 103.5507839</p>		<p><b>SURFACE LOCATION NEW MEXICO EAST</b> NAD 1927 X=741436 Y=692282 LAT.: N 32.9006878 LONG.: W 103.5467197 NAD 1983 X=782613 Y=692348 LAT.: N 32.9008094 LONG.: W 103.5472213</p>	<p><b><sup>17</sup>OPERATOR CERTIFICATION</b> 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 undivided 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.</p> <p><i>Nicholas Weeks</i> 7/23/2019 Signature Date</p> <p>Nicholas Weeks Printed Name</p> <p>nweeks@matadorresources.com E-mail Address</p>
			<p><b><sup>18</sup>SURVEYOR CERTIFICATION</b> 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.</p> <p>07/11/2019 Date of Survey</p> <p><i>Angela M. Weeks</i> Signature and Seal of Professional Surveyor</p> <p>ANGELA M. WEEKS NEW MEXICO PROFESSIONAL SURVEYOR 28418</p> <p>Certificate Number</p>

Production Summary Report													
API: 30-025-46269													
NORTHEAST KEMNITZ UNIT #013													
Printed On: Thursday, August 20 2020													
		Production					Injection						
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure		
2020	[35530] KEMNITZ;LOWER WOLFCAMP	Jan	496	918	8088	31	0	0	0	0	0	0	0
2020	[35530] KEMNITZ;LOWER WOLFCAMP	Feb	562	1266	7434	27	0	0	0	0	0	0	0
2020	[35530] KEMNITZ;LOWER WOLFCAMP	Mar	444	1657	6613	24	0	0	0	0	0	0	0
2020	[35530] KEMNITZ;LOWER WOLFCAMP	Apr	6	574	450	4	0	0	0	0	0	0	0
2020	[35530] KEMNITZ;LOWER WOLFCAMP	May	0	423	0	5	0	0	0	0	0	0	0
2020	[35530] KEMNITZ;LOWER WOLFCAMP	Jun	10	459	1757	11	0	0	0	0	0	0	0



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

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 30-025-44722		<sup>2</sup> Pool Code 59847	<sup>3</sup> Pool Name TOWNSEND; PERMO UPPER PENN
<sup>4</sup> Property Code 322181	<sup>5</sup> Property Name NORTHEAST KEMNITZ		<sup>6</sup> Well Number #233H
<sup>7</sup> GRID No. 228937	<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY		<sup>9</sup> Elevation 4084'

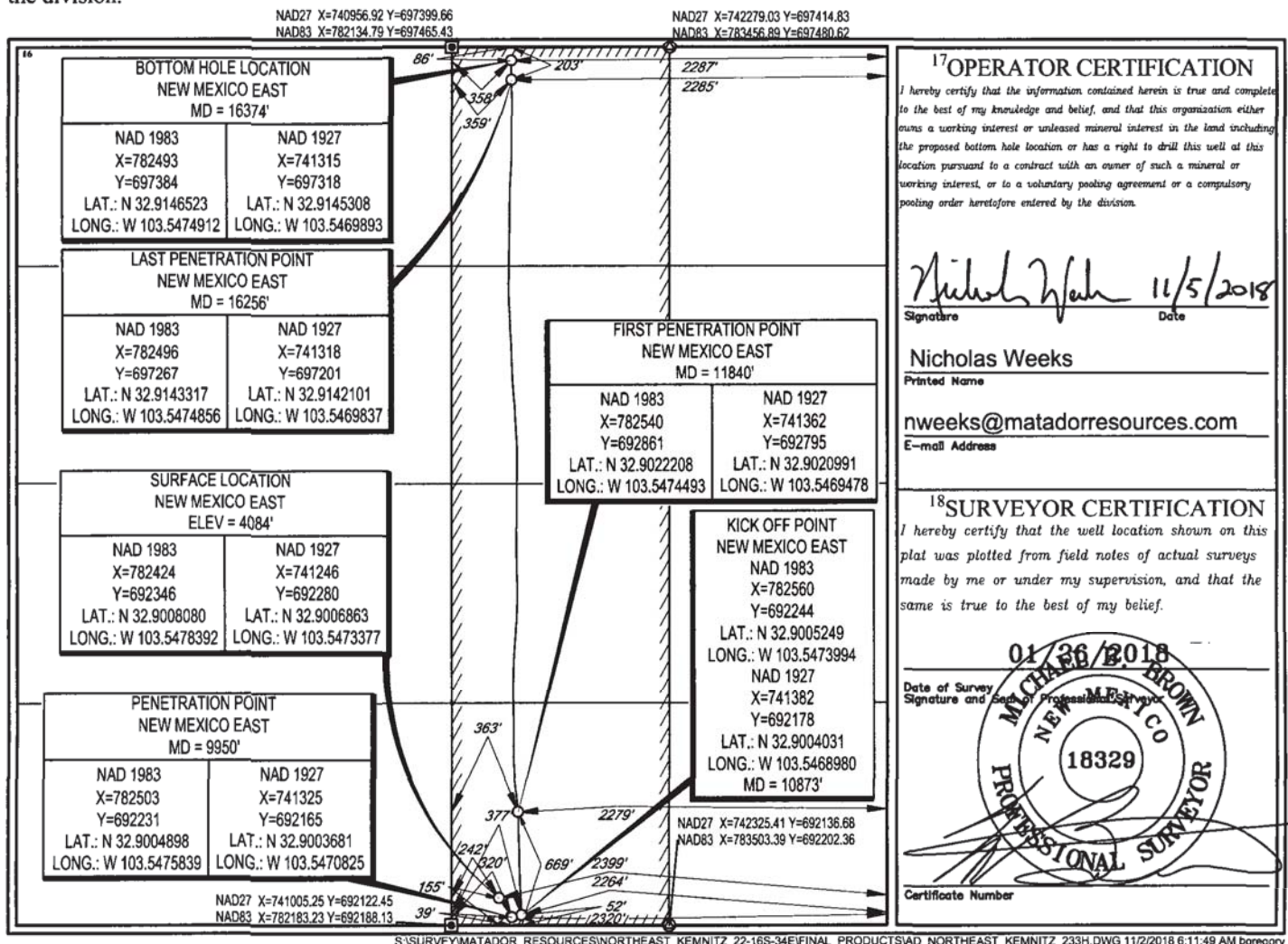
<sup>10</sup>Surface Location

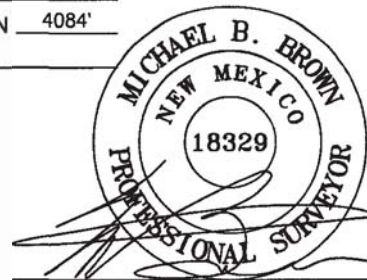
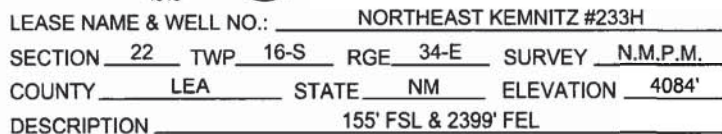
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	22	16-S	34-E	-	155'	SOUTH	2399'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	22	16-S	34-E	-	86'	NORTH	2287'	EAST	LEA

<sup>12</sup> Dedicated Acres 160	<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.





NORTHEAST KEMNITZ #233H AS-DRILLED	REVISION:		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 EASEMENT/SERVITUDE 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.
	INT	DATE	
DATE: 10/31/18			
FILE: AD_NORTHEAST_KEMNITZ_233H			
DRAWN BY: CDG			
SHEET: 1 OF 1			

<b>Production Summary Report</b> <b>API: 30-025-44722</b> <b>NORTHEAST KEMNITZ #233H</b> <b>Printed On: Thursday, August 20 2020</b>												
Year	Pool	Production					Injection					
		Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure	
2018	[59847] TOWNSEND;PERMO UPPER PENN	Oct	2038	1695	38679	29		0	0	0	0	0
2018	[59847] TOWNSEND;PERMO UPPER PENN	Nov	7854	11136	21231	30		0	0	0	0	0
2018	[59847] TOWNSEND;PERMO UPPER PENN	Dec	4472	7053	4727	29		0	0	0	0	0
2019	[59847] TOWNSEND;PERMO UPPER PENN	Jan	2420	2667	429	13		0	0	0	0	0
2019	[59847] TOWNSEND;PERMO UPPER PENN	Feb	2441	2945	724	28		0	0	0	0	0
2019	[59847] TOWNSEND;PERMO UPPER PENN	Mar	3081	3341	1257	31		0	0	0	0	0
2019	[59847] TOWNSEND;PERMO UPPER PENN	Apr	2174	3501	910	30		0	0	0	0	0
2019	[59847] TOWNSEND;PERMO UPPER PENN	May	2637	3482	1045	30		0	0	0	0	0
2019	[59847] TOWNSEND;PERMO UPPER PENN	Jun	1916	2208	778	26		0	0	0	0	0
2019	[59847] TOWNSEND;PERMO UPPER PENN	Jul	3123	4286	2091	26		0	0	0	0	0
2019	[59847] TOWNSEND;PERMO UPPER PENN	Aug	3212	7621	5930	31		0	0	0	0	0
2019	[59847] TOWNSEND;PERMO UPPER PENN	Sep	2506	6257	4285	30		0	0	0	0	0
2019	[59847] TOWNSEND;PERMO UPPER PENN	Oct	2396	5727	4549	31		0	0	0	0	0

2019	[59847] TOWNSEND;PERMO UPPER PENN	Nov	2224	5759	3860	30	0	0	0	0	0
2019	[59847] TOWNSEND;PERMO UPPER PENN	Dec	2116	4678	3442	31	0	0	0	0	0
2020	[59847] TOWNSEND;PERMO UPPER PENN	Jan	1995	5105	3363	31	0	0	0	0	0
2020	[59847] TOWNSEND;PERMO UPPER PENN	Feb	1766	5195	2996	29	0	0	0	0	0
2020	[59847] TOWNSEND;PERMO UPPER PENN	Mar	1766	5074	2680	31	0	0	0	0	0
2020	[59847] TOWNSEND;PERMO UPPER PENN	Apr	1873	4762	2585	30	0	0	0	0	0
2020	[59847] TOWNSEND;PERMO UPPER PENN	May	1694	5018	2751	31	0	0	0	0	0
2020	[59847] TOWNSEND;PERMO UPPER PENN	Jun	1577	5401	2552	30	0	0	0	0	0



District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

**EXHIBIT 4**

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Matador Production Company  
OPERATOR ADDRESS: 5400 LBJ Freeway Tower 1 Suite 1500 Dallas, TX 75240  
APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. PLC-564  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Townsend Permo Upper Penn (59847)	45.65°	45.32° oil	\$14.99/bbl oil- Deemed 40°/Sweet	50 bopd
Townsend Permo Upper Penn (59847)	1,410 BTU/CF			180 Mcfd
Kemnitz; Lower Wolfcamp (35530)	42.03°	1,432 BTU/CF	\$0.97/mcf	5 bopd
Kemnitz; Lower Wolfcamp (35530)	1,553 BTU/CF			50 Mcfd
Kemnitz Morrow Gas (79440)	1,227 BTU/CF			10 Mcfd

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.  
(4) Measurement type: ☒ Metering ☐ Other (Specify)  
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Pool Name and Code- see Section (A).  
(2) Is all production from same source of supply? ☐ Yes ☒ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No  
(4) Measurement type: ☒ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: \_\_\_\_\_ TITLE: Sr. Production Engineer DATE: 8/20/2020

TYPE OR PRINT NAME Omar Enriquez TELEPHONE NO.: (972) 587-4638

E-MAIL ADDRESS: oenriquez@matadorresources.com

# Matador Production Company

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

Voice 972.587.4638 • Fax 972.371.5201

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

---

Omar Enriquez  
Sr. Production Engineer

August 20, 2020

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

**Re: Application of Matador Production Company to amend PLC-564 for administrative approval to surface commingle (lease and pool commingle) production from the spacing units comprising Section 22, Township 16 South, Range 34 East, NMPM, Lea County, New Mexico (the “Lands”)**

To Whom This May Concern,

Matador Production Company (“Matador”), OGRID: 228937, requests to commingle current 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 test separators with an oil turbine meter and gas orifice meter. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the Longwood Gathering line. Each well on the Lands will have its own test 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. The PFD shows that the water, oil, and gas leave the wellbore and flow into a wellhead test 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. 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 Gathering has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

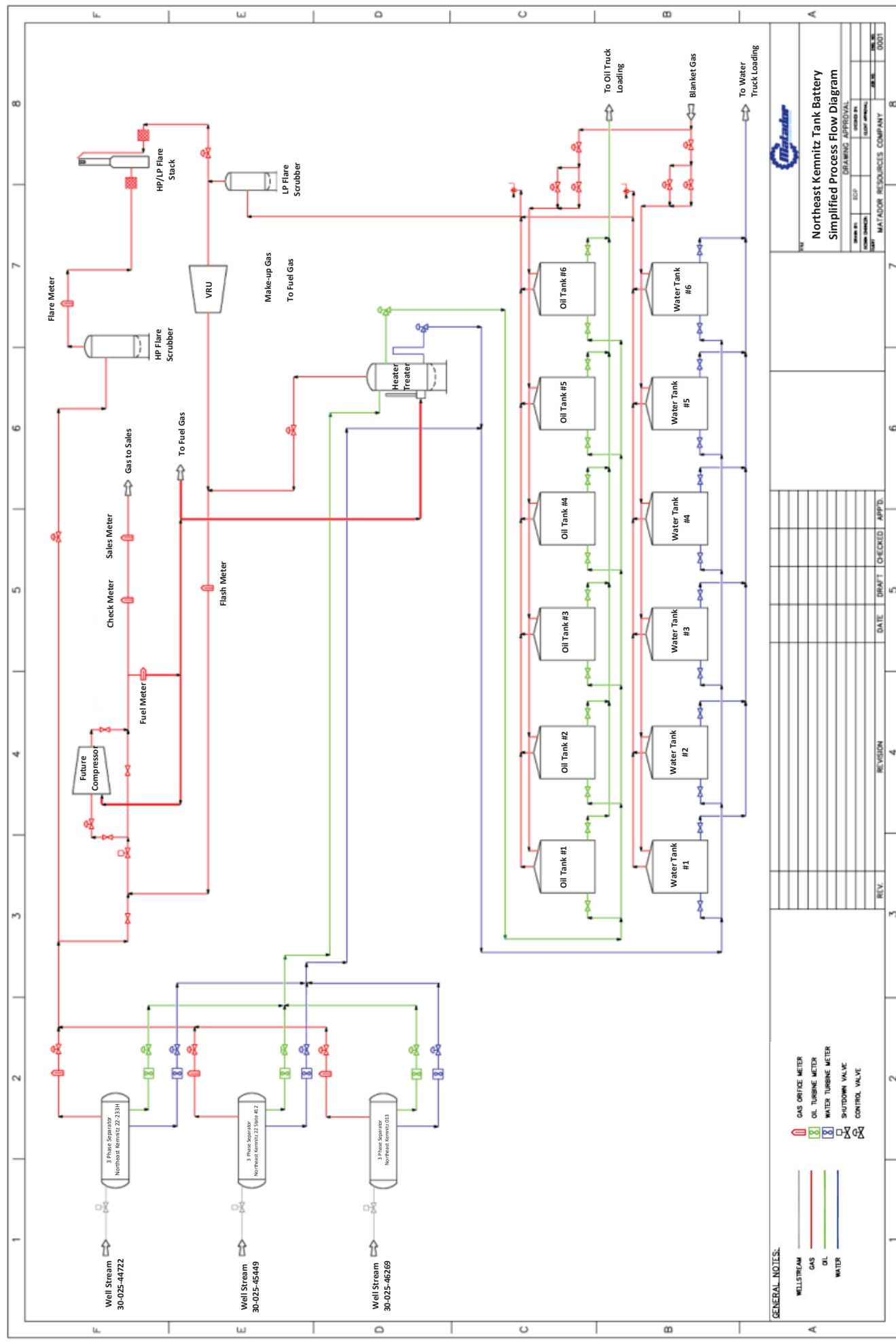
In conclusion, all the oil and gas produced on the Lands is and will be metered at each wellhead and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard.

Very truly yours,

MATADOR PRODUCTION COMPANY

Omar Enriquez  
Sr. Production Engineer

OE/bkf  
Enclosures



Northeast Kemnitz Tank Battery  
Simplified Process Flow Diagram





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

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

**Sample:** Ranger 33 State COM No. 123H  
First Stage Separator Gas  
Sampled @ 88 psig & 88 °F

Date Sampled: 12/06/2017

Job Number: 74172.001

**CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286**

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	< 0.001	
Nitrogen	2.335	
Carbon Dioxide	0.516	
Methane	68.120	
Ethane	15.273	4.186
Propane	8.234	2.325
Isobutane	0.913	0.306
n-Butane	2.297	0.742
2-2 Dimethylpropane	0.012	0.005
Isopentane	0.521	0.195
n-Pentane	0.516	0.192
Hexanes	0.373	0.157
Heptanes Plus	<u>0.890</u>	<u>0.358</u>
Totals	100.000	8.465

**Computed Real Characteristics Of Heptanes Plus:**

Specific Gravity ----- 3.346 (Air=1)  
Molecular Weight ----- 96.43  
Gross Heating Value ----- 5027 BTU/CF

**Computed Real Characteristics Of Total Sample:**

Specific Gravity ----- 0.827 (Air=1)  
Compressibility (Z) ----- 0.9952  
Molecular Weight ----- 23.84  
Gross Heating Value  
Dry Basis ----- 1411 BTU/CF  
Saturated Basis ----- 1387 BTU/CF

\*Hydrogen Sulfide tested on location b; Stain Tube Method (GPA 2377)

Results: 0.314 Gr/100 CF, 5.0 PPMV or 0.0005 Mol%

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (16) Albert A.  
Analyst: RR  
Processor: RG  
Cylinder ID: A-859

Certified: FESCO, Ltd. - Alice, Texas

David Dannhaus 361-661-7015

**CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286**  
**TOTAL REPORT**

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	< 0.001		< 0.001
Nitrogen	2.335		2.744
Carbon Dioxide	0.516		0.953
Methane	68.120		45.852
Ethane	15.273	4.186	19.267
Propane	8.234	2.325	15.233
Isobutane	0.913	0.306	2.226
n-Butane	2.297	0.742	5.601
2,2 Dimethylpropane	0.012	0.005	0.036
Isopentane	0.521	0.195	1.577
n-Pentane	0.516	0.192	1.562
2,2 Dimethylbutane	0.003	0.001	0.011
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.059	0.025	0.213
2 Methylpentane	0.115	0.049	0.416
3 Methylpentane	0.068	0.028	0.246
n-Hexane	0.128	0.054	0.463
Methylcyclopentane	0.096	0.034	0.339
Benzene	0.121	0.035	0.397
Cyclohexane	0.125	0.044	0.441
2-Methylhexane	0.018	0.009	0.076
3-Methylhexane	0.026	0.012	0.109
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.070	0.031	0.291
n-Heptane	0.041	0.019	0.172
Methylcyclohexane	0.091	0.037	0.375
Toluene	0.087	0.030	0.336
Other C8's	0.077	0.037	0.356
n-Octane	0.022	0.012	0.105
Ethylbenzene	0.017	0.007	0.076
M & P Xylenes	0.015	0.006	0.067
O-Xylene	0.005	0.002	0.022
Other C9's	0.044	0.023	0.233
n-Nonane	0.007	0.004	0.038
Other C10's	0.021	0.013	0.124
n-Decane	0.002	0.001	0.012
Udcanes (11)	<u>0.005</u>	<u>0.003</u>	<u>0.031</u>
Totals	100.000	8.465	100.000

## Computed Real Characteristics of Total Sample

Specific Gravity ----- 0.827 (Air=1)  
Compressibility (Z) ----- 0.9952  
Molecular Weight ----- 23.84

## Gross Heating Value

Dry Basis ----- 1411 BTU/CF  
Saturated Basis ----- 1387 BTU/CF

**FESCO, Ltd.****1100 Fesco Ave. - Alice, Texas 78332****Sample:** Ranger 33 State COM No. 123H

First Stage Separator Gas

Sampled @ 88 psig &amp; 88 °F

Date Sampled: 12/06/2017

Job Number: 74172.001

**GLYCALC FORMAT**

<b>COMPONENT</b>	<b>MOL%</b>	<b>GPM</b>	<b>Wt %</b>
Carbon Dioxide	0.516		0.953
Hydrogen Sulfide	< 0.001		< 0.001
Nitrogen	2.335		2.744
Methane	68.120		45.852
Ethane	15.273	4.186	19.267
Propane	8.234	2.325	15.233
Isobutane	0.913	0.306	2.226
n-Butane	2.309	0.747	5.637
Isopentane	0.521	0.195	1.577
n-Pentane	0.516	0.192	1.562
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.128	0.054	0.463
Cyclohexane	0.125	0.044	0.441
Other C6's	0.245	0.103	0.886
Heptanes	0.251	0.105	0.987
Methylcyclohexane	0.091	0.037	0.375
2,2,4 Trimethylpentane	0.000	0.000	0.000
Benzene	0.121	0.035	0.397
Toluene	0.087	0.030	0.336
Ethylbenzene	0.017	0.007	0.076
Xylenes	0.020	0.008	0.089
Octanes Plus	<u>0.178</u>	<u>0.092</u>	<u>0.899</u>
Totals	100.000	8.465	100.000

**Real Characteristics Of Octanes Plus:**

Specific Gravity -----	4.179	(Air=1)
Molecular Weight -----	120.44	
Gross Heating Value -----	6387	BTU/CF

**Real Characteristics Of Total Sample:**

Specific Gravity -----	0.827	(Air=1)
Compressibility (Z) -----	0.9952	
Molecular Weight -----	23.84	
Gross Heating Value		
Dry Basis -----	1411	BTU/CF
Saturated Basis -----	1387	BTU/CF



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

August 28, 2020

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: ALL "AFFECTED PERSONS" OF  
ADMINISTRATIVE ORDER PLC-564**

**Re: Application of Matador Production Company to amend Surface Commingling Order PLC-564 to add a well and lease, and to authorize pool and lease commingling, off-lease storage, off-lease measurement, and off-lease marketing, at the Northeast Kemnitz Tank Battery located in the SW/4 SE/4 (Unit O) of Section 22, Township 16 South, Range 34 East, NMPM, Lea County, New Mexico.**

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced amended application, which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this amended application, please contact the following:

Brian Fancher  
Matador Production Company  
972-371-5242  
bfancher@matadorresources.com

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**





# Shipment Confirmation Acceptance Notice

## A. Mailer Action

**Note to Mailer:** The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

MRC\_Amend-PLC-564 - NE Kemnitz  
CM# 83379.0001

Shipment Date: 08/28/2020

Shipped From:

Name: HOLLAND & HART LLP (1)

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	7
Total	7

\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

## B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.  
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0023 8457 86



POSTAL SERVICE®

## Firm Mailing Book For Accountable Mail

Name and Address of Sender		Check type of mail or service		Affix Stamp Here (for additional copies of this receipt). Postmark with Date of Receipt.															
Holland & Hart LLP (1) 110 N Guadalupe St # 1 Santa Fe NM 87501		<input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		<input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
1.	9214 8901 9403 8319 8381 50	New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe NM 87501		Addressee (Name, Street, City, State, & ZIP Code™)		0.80	3.55	Handling Charge - if Registered and over \$50,000 in value							1.70				
2.	9214 8901 9403 8319 8381 67	MRC Permian Company 5400 LBJ Fwy Ste 1500 Dallas TX 75240				0.80	3.55									1.70			
3.	9214 8901 9403 8319 8381 74	Magic Dog Oil & Gas PO BOX 10708 Midland TX 79702-0708				0.80	3.55									1.70			
4.	9214 8901 9403 8319 8381 81	Judson Exploration PO BOX 2062 Midland TX 79702				0.80	3.55									1.70			
5.	9214 8901 9403 8319 8381 98	Taifrail Investments LP PO BOX 11025 Midland TX 79702				0.80	3.55									1.70			
6.	9214 8901 9403 8319 8382 04	Shumana Exploration PO BOX 11025 Midland TX 79702				0.80	3.55									1.70			
7.	9214 8901 9403 8319 8382 11	New Mexico State Land Office PO BOX 1148 Santa Fe NM 87504				0.80	3.55									1.70			
Total Number of Pieces Listed by Sender 7		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)															