orm 3160-3 March 2012)		HOBB JAN 10	6 2018	FORM OMB 1	APPROVED No. 1004-0137 October 31, 2014
UNITED STAT DEPARTMENT OF TH BUREAU OF LAND M APPLICATION FOR PERMIT T	E INTERIOR ANAGEMENT	RECE	IVED	 Lease Serial No. NMLC065607 6. If Indian, Allotee 	e or Tribe Name
la. Type of work: 🗹 DRILL 🗌 REE	NTER	<u> </u>	- <u></u>	7. If Unit or CA Agr	eement, Name and No.
lb. Type of Well: 🔽 Oil Well 🔲 Gas Well 🛄 Other	Sin	gle Zone 🔲 Multi	ple Zone	8. Lease Name and VERNA RAE FED	
2. Name of Operator MATADOR PRODUCTION COMPA	600			9. API Well No. 30-025	- 44 375
3a. Address 5400 LBJ Freeway, Suite 1500 Dallas TX 7		(include area code) 200		10. Field and Pool, or	
 Location of Well (Report location clearly and in accordance with At surface NWNE / 230 FNL / 1785 FEL / LAT 32.604 	87637 / LONG -	103.596699		11. Sec., T. R. M. or E SEC 6 / T20S / R3	Blk. and Survey or Area 34E / NMP
At proposed prod. zone SWSE / 240 FSL / 1980 FEL / L 4. Distance in miles and direction from nearest town or post office* 19 miles		/LONG -103.597	427	12. County or Parish LEA	13. State NM
5. Distance from proposed* location to nearest 130 feet property or lease line, ft. (Also to nearest drig, unit line, if any)	16. No. of ac 722.39	cres in lease	17. Spacin 160	g Unit dedicated to this	well
8. Distance from proposed location* to nearest well, drilling, completed, 1033 feet applied for, on this lease, fi.	19. Proposed 9495 feet /	Depth 14043 feet		BIA Bond No. on file MB001079	
1. Elevations (Show whether DF, KDB, RT, GL. etc.) 3620 feet	22 Approxin 09/01/201	nate date work will sta 7	art*	23. Estimated duration 90 days	Dn .
· · · · · · · · · · · · · · · · · · ·	24. Attac			· · · · · · · · · · · · · · · · · · ·	
 he following, completed in accordance with the requirements of Or Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest Syst SUPO must be filed with the appropriate Forest Service Office) 	tem Lands, the	 Bond to cover Item 20 above). Operator certifi 	the operatio	ns unless covered by ar	n existing bond on file (see s may be required by the
5. Signature (Electronic Submission)		(Printed/Typed) Wood / Ph: (505)4	466-8120		Date 06/13/2017
President					
pproved by (Signature) (Electronic Submission)	Bobby	(Printed/Typed) Ballard / Ph: (575	5)234-2235		Date 01/02/2018
itle Natural Resource Specialist		SBAD			
pplication approval does not warrant or certify that the applicant onduct operations thereon. conditions of approval, if any, are attached.	holds legal or equit	able title to those rig	hts in the sub	ject lease which would	entitle the applicant to
itle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it lates any false, fictitious or fraudulent statements or representation	a crime for any pe s as to any matter w	rson knowingly and ithin its jurisdiction.	willfully to n	ake to any department	or agency of the United
	• •			*(Inst	tructions on page 2)

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Approval Date: 01/02/2018

Dongle der

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts. ROUTINE USE: Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

(Continued on page 3)

(Form 3160-3, page 2)

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Approval Date: 01/02/2018

Additional Operator Remarks

Location of Well

SHL: NWNE / 230 FNL / 1785 FEL / TWSP: 20S / RANGE: 34E / SECTION: 6 / LAT: 32.6087637 / LONG: -103.596699 (TVD: 0 feet, MD: 0 feet)
 PPP: SWNE / 0 FNL / 1943 FEL / TWSP: 20S / RANGE: 34E / SECTION: 6 / LAT: 32.602165 / LONG: -103.597381 (TVD: 9495 feet, MD: 11638 feet)
 PPP: NWNE / 230 FNL / 1785 FEL / TWSP: 20S / RANGE: 34E / SECTION: 6 / LAT: 32.6087637 / LONG: -103.596699 (TVD: 0 feet, MD: 0 feet)
 BHL: SWSE / 240 FSL / 1980 FEL / TWSP: 20S / RANGE: 34E / SECTION: 6 / LAT: 32.5955565 / LONG: -103.597427 (TVD: 9495 feet, MD: 14043 feet)

BLM Point of Contact

Name: Sipra Dahal Title: Legal Instruments Examiner Phone: 5752345983

Email: sdahal@blm.gov

(Form 3160-3, page 3)

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Approval Date: 01/02/2018

(Form 3160-3, page 4)

#AFMSS

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Application Data Report

Title: President

01/02/2018

APD ID: 10400015037

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: VERNA RAE FEDERAL COM

Well Type: OIL WELL

Submission Date: 06/13/2017

Well Number: 113H

Well Work Type: Drill

Tie to previous NOS?

Highlighted data reflects the most recent changes

Show Final Text

Submission Date: 06/13/2017

Section 1 - General APD ID: 10400015037

BLM Office: CARLSBAD	User: Brian Wood	Title: President
Federal/Indian APD: FED	Is the first lease p	enetrated for production Federal or Indian? FED
Lease number: NMLC065607	Lease Acres: 722.3	39
Surface access agreement in place?	Allotted?	Reservation:
Agreement in place? NO	Federal or Indian a	igreement:
Agreement number:		•

Agreement name:

Keep application confidential? NO

Permitting Agent? YES

Operator letter of designation:

APD Operator: MATADOR PRODUCTION COMPANY

Zip: 75240

Operator Info

Operator Organization Name: MATADOR PRODUCTION COMPANY

State: TX

Operator Address: 5400 LBJ Freeway, Suite 1500

Operator PO Box:

Operator City: Dallas

Operator Phone: (972)371-5200

Operator Internet Address: amonroe@matadorresources.com

Section 2 - Well Information

Well in Master Development Plan? NO

Well in Master SUPO? NO

Well in Master Drilling Plan? NO

Well Name: VERNA RAE FEDERAL COM

Field/Pool or Exploratory? Field and Pool

Mater Development Plan name: Master SUPO name:

Master Drilling Plan name:

Well Number: 113H

Field Name: TEAS BONE SPRINGS EAST

Well API Number:

Pool Name: TEAS BONE SPRING EAST

Is the proposed well in an area containing other mineral resources? POTASH

Well Name: VERNA RAE FEDERAL COM

Well Number: 113H

Describe other minerals:											
Is the proposed well in a Helium prod	luction area? N	Use E	xisting W	ell Pad	1 ? NO	Ne	w su	rface o	distur	bance	? ?
Type of Well Pad: MULTIPLE WELL			ble Well P	ad Nan	ne:	Nu	ımbe	r: SLO	Т 3		
Well Class: HORIZONTAL			IA RAE per of Leg	s: 1							
Well Work Type: Drill											
Well Type: OIL WELL											
Describe Well Type:											
Well sub-Type: INFILL											
Describe sub-type:											
Distance to town: 19 Miles	Distance to n	earest	vell: 1033	FT	Dist	ance to	o lea:	se line	: 130	FT	
Reservoir well spacing assigned acre	es Measuremen	t: 160 A	cres								
Well plat: VernaRae_113H_Plat_20	170928095633.	PDF									
Well work start Date: 09/01/2017		Durat	i on : 90 DA	AYS							
Section 3 - Well Location	n Table			·							
Survey Type: RECTANGULAR											
Describe Survey Type:											
Datum: NAD27	,	Vertic	al Datum:	NGVD	29						
Survey number: 18329											
	ract							er.			

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
SHL	230	FNL	178	FEL	20S	34E	6	Aliquot	32.60876	-	LEA	NEW	NEW	F	NMLC0	362	0	0
Leg			5					NWNE	37	103.5966			MEXI		65607	0)
#1										99		co	со					
КОР	230	FNL	178	FEL	20S	34E	6	Aliquot	32.60876	-	LEA	NEW	NEW	F	NMLC0	-	893	893
Leg			5					NWNE	37	103.5966		MEXI			65607	531	0	0
#1										99		со	со			0		
PPP	230	FNL	178	FEL	20S	34E	6	Aliquot	32.60876						NMLCO	362	0 .	0
Leg			5					NWNE	37	103.5966		MEXI			65607	0		
#1										99		co	co					

FMSS

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT Drilling Plan Data Report

01/02/2018

APD ID: 10400015037

Operator Name: MATADOR PRODUCTION COMPANY

Submission Date: 06/13/2017

Highlighted data reflects the most recent changes

Show Final Text

2

Well Name: VERNA RAE FEDERAL COM

Well Number: 113H

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Geologic Formations

Formation			True Vertical	Measured			Producing
ID	Formation Name	Elevation	Depth	Depth	Lithologies	Mineral Resources	
1		3620	0	0	OTHER : Quaternary	USEABLE WATER	No
2	RUSTLER ANHYDRITE	2149	1475	1476	ANHYDRITE	OTHER : Anhydrite	No
3	TOP SALT	2019	1605	1606	SALT	OTHER : Salt	No
4	BASE OF SALT	460	3160	3168	SALT	OTHER : Salt	No
. 5	TANSILL	425	3195	3203	SANDSTONE	OTHER : Sandstone	No
6	YATES	318	3302	3310	GYPSUM	OTHER : Gypsum	No
7	SEVEN RIVERS	-75	3695	3703	DOLOMITE	NONE	No
8	QUEEN	-982	4602	4610	SANDSTONE	OTHER : Sandstone	No .
9	CAPITAN REEF	-1130	4750	4758	OTHER : Carbonate	USEABLE WATER	No
10	DELAWARE SAND	-1675	5295	5303	SANDSTONE	NATURAL GAS,CO2,OIL	No
11	BRUSHY CANYON	-2574	6194	6202	SANDSTONE	NATURAL GAS,CO2,OIL	No
12	BONE SPRING LIME	-4659	8279	8287		NATURAL GAS,CO2,OIL	No
13	BONE SPRING 1ST	-5390	9010	9018	OTHER : Carbonate	NATURAL GAS,CO2,OIL	No
14	BONE SPRING 1ST	-5780	9400	9496	SANDSTONE	NATURAL GAS,CO2,OIL	Yes

Section 2 - Blowout Prevention

Well Name: VERNA RAE FEDERAL COM

Well Number: 113H

Pressure Rating (PSI): 5M Rating Depth: 10000

Equipment: An accumulator complying with Onshore Order 2 requirements for the BOP stack pressure rating will be present. Rotating head will be installed as needed.

Requesting Variance? YES

Variance request: Matador requests a variance to drill this well using a co-flex line between the BOP and choke manifold. Certification for proposed co-flex hose is attached. Manufacturer does not require the hose to be anchored. If the specific hose is not available, then one of equal or higher rating will be used. Matador is requesting a variance to use a speed head. Speed head diameter range is 13.375" x 9.625" x 5.5" x 2.875".

Testing Procedure: A third party company will test the BOPs. Surface casing will be pressure tested to 250 psi low and 2000 psi high. Intermediate casing pressure tests will be made to 250 psi low and 3000 psi high. Annular preventer will be tested to 250 psi low and 2500 psi high on the surface casing and tested to 250 psi low and 2500 psi high on the intermediate casing. In the case of running a speed head with landing mandrel for 9.625" casing, initial surface casing test pressures will be 250 psi low and 3000 psi high, with wellhead seals tested to 5000 psi once the 9.625" casing has been landed and cemented.

Choke Diagram Attachment:

VernaRae_113H_Choke_06-12-2017.pdf

BOP Diagram Attachment:

VernaRae_113H_BOP_06-12-2017.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	20	13.375	NEW	API	N	0	1600	0	1600	3620	2020	1600	J-55		OTHER - BTC	1.12 5	1.12 5	DRY	1.8	DRY	1.8
2		12.2 5	9.625	NEW	ÀPI	N	0	5400	0	5400	3620	-1772	5400	J-55		OTHER - BTC	1.12 5	1.12 5	DRY	1.8	DRY	1.8
3	PRODUCTI ON	8.75	5.5	NEW	API	N	0	14043	0	9495	3620	-5875	14043	P- 110		OTHER - DWC/C	1.12 5	1.12 5	DRY	1.8	DRY	1.8

Casing Attachments

Well Name: VERNA RAE FEDERAL COM

Well Number: 113H

Casing ID: 1	String Type:SURFACE	
Inspection Document	t:	
Spec Document:		
Tapered String Spec:		
		· ·
Casing Design Assur	nptions and Worksheet(s):	
Casing_Design_	Assumptions_Surface_06-12-2017.docx	
Casing ID: 2	String Type: INTERMEDIATE	
Inspection Documen	t:	
Spec Document:		
Tapered String Spec:		
Casing Design Assu	nptions and Worksheet(s):	
Casing_Design_	Assumptions_Intermediate_06-12-2017.docx	
Casing ID: 3	String Type: PRODUCTION	
Inspection Documen	t:	
Spec Document:		
Tanarad String Saca		
Tapered String Spec		
Casing Design Assu	nptions and Worksheet(s):	
	Assumptions_Production_06-12-2017.docx	

Well Name: VERNA RAE FEDERAL COM

Well Number: 113H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	1600	1764	1.75	13.5	3087	100	Class C	3% NaCl + LCM
SURFACE	Tail		0	1600	559	1.38	14.8	771	100	Class C	5% NaCl + LCM
INTERMEDIATE	Lead		0	5400	1262	1.81	13.5	2284	100	Class C	Bentonite + 1% CaCl2 + 8% NaCl + LCM
INTERMEDIATE	Tail		0	5400	490	1.38	14.8	676	100	Class C	5% NaCI + LCM
PRODUCTION	Lead		0	1404 3	503	2.25	11.5	1131	35	ТХІ	Fluid Loss + Dispersant + Retarder + LCM
PRODUCTION	Tail		0	1400 1	1493	1.38	13.2	2060	35	ТХІ	Fluid Loss + Dispersant + Retarder + LCM

Section 5 - Circulating Medium

Circulating Medium Table

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: All necessary mud products (barite, bentonite, LCM) for weight addition and fluid loss control will be on location at all times.

Describe the mud monitoring system utilized: An electronic Pason mud monitoring system complying with Onshore Order 1 will be used. Mud program is subject to change due to hole conditions. A closed loop system will be used.

	·	· · · · · · · · · · · · · · · · · · ·					·····			··	· · · · · · · · · · · · · · · · · · ·
Top Depth	Bottom Depth	Mud Type	Min Weight (Ibs/gal)	Max Weight (Ibs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	Hd	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	1600	SPUD MUD	8.4	8.4							
5400	1404 3	OTHER : Fresh water & cut brine	9	9							
1600	5400	SALT SATURATED	10	10				•			

Page 4 of 6

Well Name: VERNA RAE FEDERAL COM

Well Number: 113H

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

A 2-person mud logging program will be used from 1600' to TD.

No electric logs are planned at this time. GR will be collected through the MWD tools from intermediate casing to TD. CBL with CCL will be run as far as gravity will let it fall to TOC.

List of open and cased hole logs run in the well: CBL.GR.MWD.OTH

Other log type(s):

Casing collar locator

Coring operation description for the well:

No core or drill stem test is planned.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 4725

Anticipated Surface Pressure: 2636.1

Anticipated Bottom Hole Temperature(F): 140

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO:

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

VernaRae_113H_H2S_Plan_06-12-2017.pdf

Well Name: VERNA RAE FEDERAL COM

Well Number: 113H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

VernaRae_113H_Horizontal_Drilling_Plan_06-12-2017.pdf

Other proposed operations facets description:

Deficiency Letter dated 9/19/17 requested:

1) Revised Choke Diagram - Matador requested a variance per discssion with Chris Walls to use Choke Diagram as originally attached.

2) 5.5 in casing specs - see revised Wellhead Casing Sec attachment;

3) Gas Capture Plan - see revised Plat attachment.

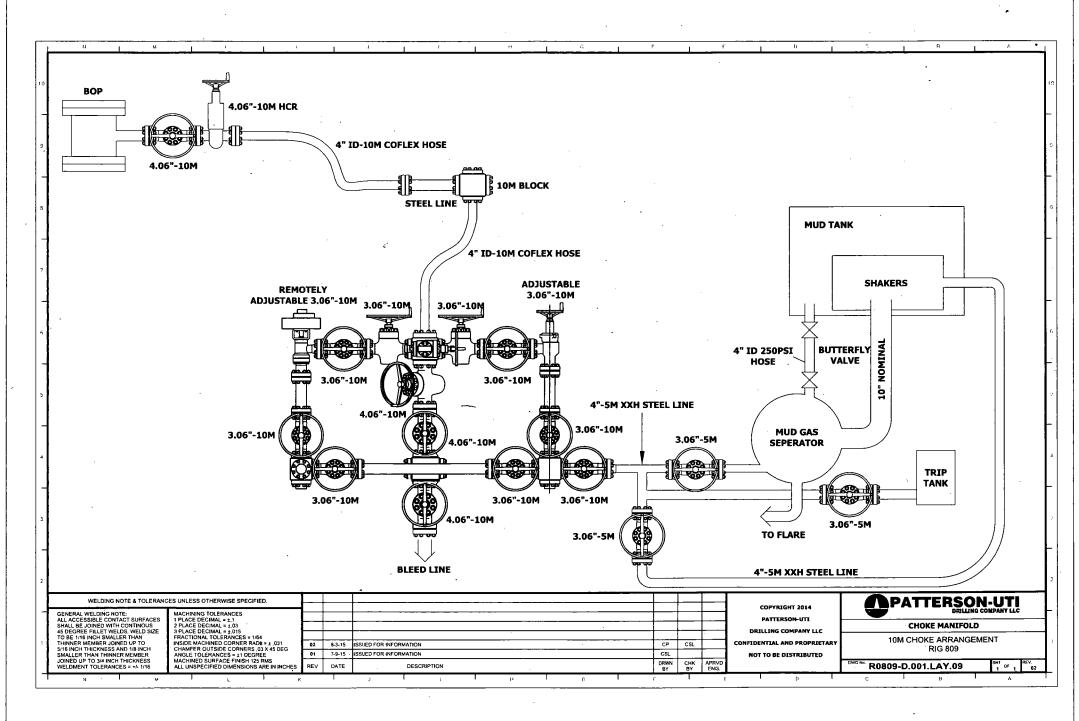
Other proposed operations facets attachment:

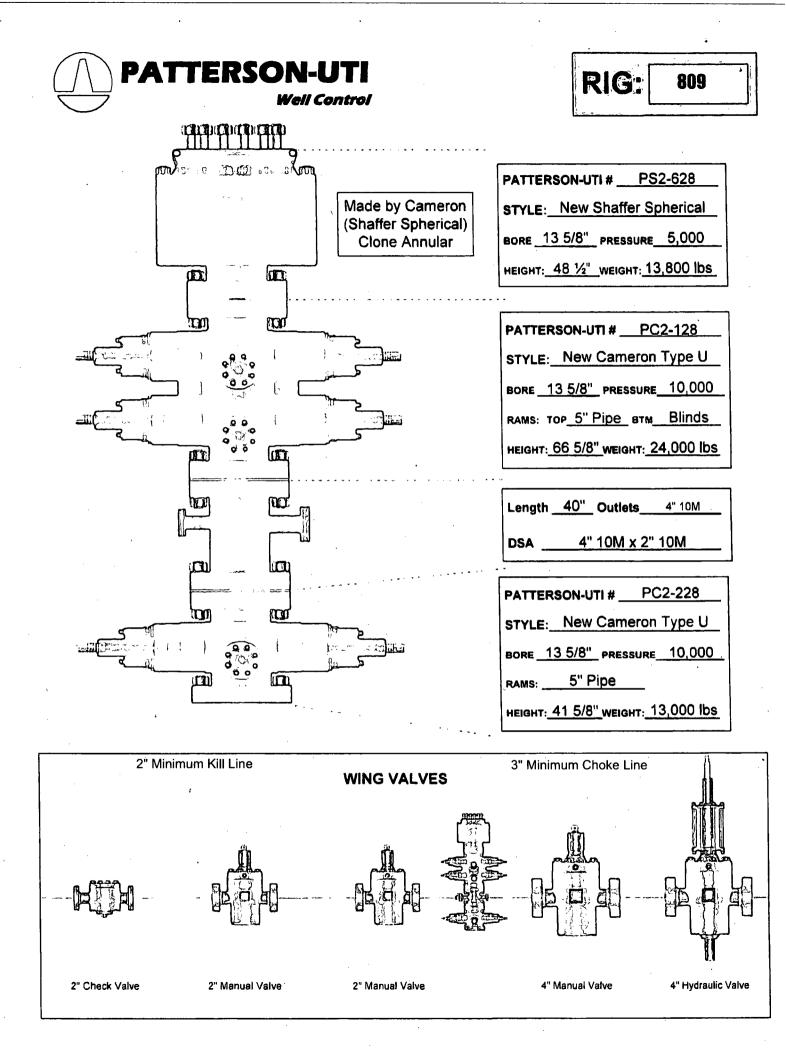
VernaRae_113H_General_Drill_Plan_06-12-2017.pdf

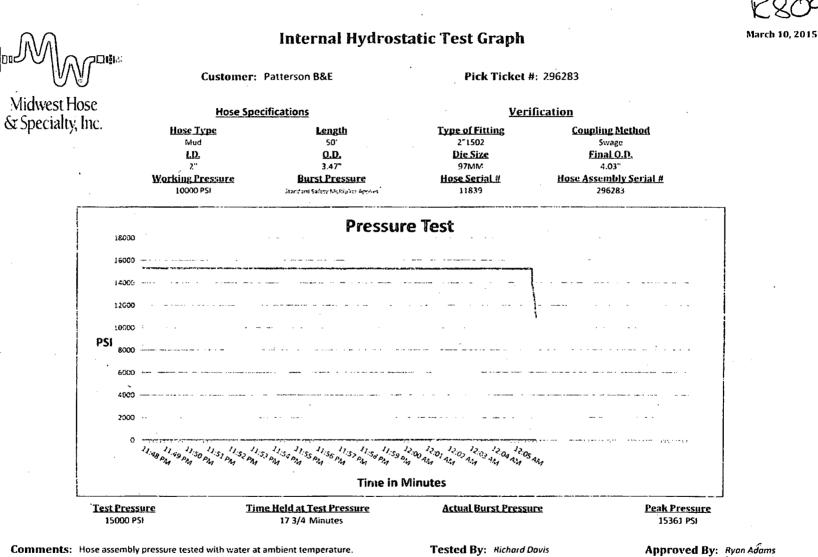
VernaRae_113H_Wellhead_Casing_Spec_20170927143529.pdf

Other Variance attachment:

Page 6 of 6







Midwest Hose & Specialty, Inc. Internal Hydrostatic Test Certificate **General Information Hose Specifications** Hose Assembly Type **PATTERSON B&E** Choke & Kill Customer API 7K/FSL Level 2 MWH Sales Representative AMY WHITE Certification Date Assembled 3/10/2015 Hose Grade MUD 10000 ocation Assembled ОКС Hose Working Pressure Sales Order # 245805 Hose Lot # and Date Code 11839-11/14 Customer Purchase Order # **2**" 270590 Hose I.D. (Inches) Assembly Serial # (Pick Ticket #) Hose O.D. (Incnes) 3.99" 296283 Hose Assembly Length 50' Armor (yes/no) YES Fittings End A End B R2.0X32M1502 Stem (Part and Revision #) Stem (Part and Revision #) RF2.0 32F1502 Stem (Heat #) 14104546 Stern (Heat #) A144853 RF2.0 10K Ferrule (Part and Revision #) **RF2.0 10K** Ferrule (Part and Revision #) Ferrule (Heat #) 41044 Ferrule (Heat #) 41044 Connection . Flange Hammer Union Part Connection (Part #) Connection (Heat #) Connection (Heat #) Nut (Part #) 2" 1502 H2S Nut (Part #) Nut (Heat#) Nut (Heat #) Dies Used 97MM Dies Used 97MM Hydrostatic Test Requirements Test Pressure (psi) 15,000 Hose assembly was tested with ambient water Test Pressure Hold Time (minutes) 17 3/4 temperature. Date Tested Tested By Approved By 3/10/2015

MHSI-008 Rev. 0.0 Proprietary

	Idwest Hose Specialty, inc.
·····	ate of Conformity
Customer: PATTERSON B&E	Customer P.O.# 270590
Sales Order # 245805	Date Assembled: 3/10/2015
Sp	pecifications
Hose Assembly Type: Choke & Kill	<u>an an ann an t-rithean an an an an an Ann A</u> nn 2013
Assembly Serial # 296283	Hose Lot # and Date Code 11839-11/14
Hose Working Pressure (psi) 10000	Test Pressure (psi) 15000
We hereby certify that the above material suppl to the requirements of the purchase order and c Supplier: Midwest Hose & Specialty, Inc. 3312 S I-35 Service Rd Oklahoma City, OK 73129 Comments:	lied for the referenced purchase order to be true according current industry standards.
Approved By	Date
Approved by	3/19/2015

,

MHSI-009 Rev.0.0 Proprietary

Cholc &

Internal Hydrostatic Test Graph

Customer: Patterson

D

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Pick Ticket #: 286159

Midwest Hose **Hose Specifications** Verification & Specialty, Inc. Hose Type **Type of Fitting Coupling Method** Length Ck 50' 2" 1502 Swage <u>I.D.</u> <u>O.D.</u> Die Size Final O.D. 2" 3.55" 97MM 3.98" Working Pressure **Burst Pressure** Hose Serial # Hose Assembly Serial # 10000 PSI 11784 286159 Standard Safety Multiplier Applies **Pressure Test** 18000 16000 14000 12000 10000 PSI 8000 6000 4000 2000 0 2.49 AM 2:51 AM 2.5.2 AM 2.55 AM 2:56 AM 3:03 AM 2:18 AM 2:50 ANT 2:53 AM 2:54 AA1 AM 2.50 AM 2.00 AM AM 3.03 AM **Time in Minutes Time Held at Test Pressure Test Pressure Actual Burst Pressure** Peak Pressure 15000 PSI 15410 PSI 15 1/4 Minutes Approved By, Ryan Adoms Comments: Hose assembly pressure tested with water at ambient temperature. Tested By: Tyler

Midwest Hose & Specialty, Inc. Internal Hydrostatic Test Certificate **General Information Hose Specifications** Hose Assembly Type Choke & Kill Customer **PATTERSON B&E** MWH Sales Representative AMY WHITE Certification API 7K/FSL Level 2 12/23/2014 Date Assembled Hose Grade MUD Location Assembled 10000 OKC Hose Working Pressure Sales Order # 11784-10/14 237566 Hose Lot # and Date Code Customer Purchase Order # 2" 261581 Hose I.D. (Inches) Assembly Serial # (Pick Ticket #) 286159 Hose O.D. (Inches) 4.00" Armor (yes/no) Hose Assembly Length 50' YES **Fittings** End A End B R2.0X32M1502 Stem (Part and Revision #) R2.0X32M1502 Stem (Part and Revision #) M14104546 Stem (Heat #) M14101226 Stem (Heat #) Ferrule (Part and Revision #) **RF2.0 10K** Ferrule (Part and Revision #) **RF2.0 10K** 41044 Ferrule (Heat #) 41044 Ferrule (Heat #) Connection . Flange Hammer Union Part 2"1502 Connection (Part #) 2866 Connection (Heat #) Connection (Heat #) Nut (Part #) Nut (Part #) NUt (Heat #) Nut (Heat #) Dies Used Dies Used 97MM 97MM **Hydrostatic Test Requirements** 15,000 Test Pressure (psi) Hose assembly was tested with ambient water Test Pressure Hold Time (minutes) 15 1/4 temperature. **Date Tested** Tested By Approved By 12/24/2014

MHSI-008 Rev. 0.0 Proprietary

			·
		rest Hose cialty, Inc.	
	Certificate	of Conformity	
Customer: PATTERSON B&E		Customer P.O.# 261581	
Sales Order # 237566		Date Assembled: 12/23/2014	
	Spec	ifications	· · · · · · ·
Hose Assembly Type: Cl	noke & Kill		
Assembly Serial # 28	36159	Hose Lot # and Date Code	11784-10/14
Hose Working Pressure (psi) 10	0000	Test Pressure (psi)	15000
· ·			
Ve hereby certify that the above m o the requirements of the purchasi			to be true according
s the requirements of the purchas		ni niqusti y standurus.	
upplier:			
Aidwest Hose & Specialty, Inc.			
oklahoma City, OK 73129			
omments:			
Assessed Dec			
Approved By	lana	Date 12/29/2	

MHSI-009 Rev.0.0 Proprietary

		J BN	est Hose		A LON W LONG
	-		ialty, Inc.		
	Inte	rnal Hydrost	atic Test Certificat	e	
Ge	neral Inforn	nation	Rose Spee	illeations 21%	
Customer		PATTERSON B&E	Hose Assembly Type	Choke & Kill	
MWH Sales Repre	esentative	AMY WHITE	Certification	API 7K/FSL Level 2	
Date Assembled		3/10/2015	Hose Grade	MUD	
Location Assembl	ed	ОКС	Hose Working Pressure	10000	
Sales Order #		245805	Hose Lot # and Date Code	11839-11/14	
Customer Purcha	se Order #	270590	Hose I.D. (Inches)	2°	
Assembly Serial #	(Pick Ticket #)	296283	Hose O.D. (Inches)	3.99"	
Hose Assembly Le		50'	Armor (yes/no)	YES	
			tings		證
	End A		Enc	I B	
Stem (Part and Revisio	on #)	R2.0X32M1502	Stem (Part and Revision #)	RF2.0 32F1502	
Stem (Heat #)		14104546	Stem (Heat #)	A144853	
Ferrule (Port and Rev	ision #)	RF2.0 10K	Ferrule (Part and Revision #)	RF2.0 10K	
Ferrule (Heat #)		41044	Ferrule (Heat #)	41044	
Connection . Flange	Hammer Union Part		Connection (Part #)		
Connection (Heat #))		Connection (Heat #)		
Nut (Part #)		2" 1502 H2S	Nut (Port#)		
Nut (Heat#)			Nut (Heat #)		
Dies Used		97MM	Dies Used	97MM	
		Hydrostatic T	st Requirements		R
Test Pressure (psi)		15,000	Hose assembly was test	فالتلاطيب فيعتني بارتكان الشياطي ارجه ومحمدات التناب	
Test Pressure Hol	d Time (minutes)	17 3/4	temper	ature.	
Date Te	ested	Tester	d By	Approved By	
3/10/2	015			/\) l	
,,		I /IL- II /		in Alama	- TEL

Casing Design Criteria and Load Case Assumptions

Surface Casing

Collapse: DF_c=1.125

• Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.43 psi/ft). The effects of axial load on collapse will be considered.

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.52 psi/ft).

Burst: DF_b=1.125

• Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.43 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (8.3 ppg).

Casing Design Criteria and Load Case Assumptions

Intermediate #1 Casing

Collapse: DF_c=1.125

• Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.52 psi/ft). The effects of axial load on collapse will be considered.

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: Casing test per Onshore Oil and Gas Order No. 2 with an external force equal to the mud gradient in which the casing will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Gas Kick Profile: Internal burst force at the shoe will be Fracture Pressure at that depth. Surface
 burst pressure will be fracture gradient at setting depth less a gas gradient to equivalent height of
 50 bbl kick with Drill Pipe inside casing and mud gradient with which the next hole section will be
 run above that (0.47 psi/ft). External force will be equal to the mud gradient in which the casing
 will be run (0.52 psi/ft), which is a more conservative backup force than pore pressure.
- Fracture at Shoe with 1/3 BHP at Surface: Internal burst force at the shoe will be Fracture Pressure at setting depth. Internal burst force at surface will be 1/3 of pore pressure at setting depth. External force will be equal to the mud gradient in which the casing will be run (0.52 psi/ft) which is a more conservative backup force than pore pressure.

Tensile: DF₁=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (10.0 ppg).

Casing Design Criteria and Load Case Assumptions

Production Casing

Collapse: DF_c=1.125

• Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.47 psi/ft). The effects of axial load on collapse will be considered.

• Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.47 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

- Pressure Test: 8000 psi casing test with an external force equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.
- Injection Down Casing: 9500 psi surface injection pressure plus an internal pressure gradient of 0.65 psi/ft with an external force equal to the mud gradient in which the casing will be run (0.47 psi/ft), which is a more conservative backup force than pore pressure.

Tensile: DF_t=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (9.0 ppg).

DRILL PLAN PAGE 1

Matador Production Company Verna Rae Fed Com 113H SHL 230' FNL & 1785' FEL BHL 240' FSL & 1980' FEL Sec. 6, T. 20 S., R. 34 E., Lea County, NM

Drilling Program

1. ESTIMATED TOPS

Formation Name	TVD	MD	Bearing
Quaternary	000'	000′	water
Rustler anhydrite	1475'	1476′	N/A
Top salt	1605'	1606′	N/A
Base salt	3160′	3168′	N/A
Tansill sandstone	3195′	3203'	N/A
Yates gypsum	3302'	3310′	N/A
Seven Rivers dolomite	3695'	3703'	N/A
Queen sandstone	4602'	4610'	N/A
Capitan/Goat Seep Reef carbonate	4750′	4758′	water
Delaware Mt. Group sandstones	5295'	5303′	hydrocarbons
Brushy Canyon sandstone	6194'	6202′	hydrocarbons
Bone Spring Limestone	8279'	8287'	hydrocarbons
(КОР	8992′	8950′	Hydrocarbons)
1 st Bone Spring carbonate	9010′	9018′	hydrocarbons
1 st Bone Spring Sand	9400′	9496′	hydrocarbons & goal
TD	9495'	14043′	hydrocarbons

2. NOTABLE ZONES

First Bone Spring sand is the goal. Hole will extend south of the last perforation point to allow for pump installation. All perforations will be \geq 330' from the dedication perimeter. Closest water well (L 07213) is 1856' NNE. Depth to water is 110' in this 160' deep inactive well.

3. PRESSURE CONTROL

Matador Production Company Verna Rae Fed Com 113H SHL 230' FNL & 1785' FEL BHL 240' FSL & 1980' FEL Sec. 6, T. 20 S., R. 34 E., Lea County, NM

A 10,000' 5000-psi BOP stack consisting of 3 rams with 2 pipe rams, 1 blind ram, and 1 annular preventer will be used below surface casing to TD. See attached BOP, choke manifold, co-flex hose, and speed head diagrams.

An accumulator complying with Onshore Order 2 requirements for the BOP stack pressure rating will be present. Rotating head will be installed as needed.

Pressure tests will be conducted before drilling out from under all casing strings. BOP will be inspected and operated as required in Onshore Order 2. Kelly cock and sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position.

A third party company will test the BOPs.

Surface casing will be pressure tested to 250 psi low and 2000 psi high. Intermediate casing pressure tests will be made to 250 psi low and 3000 psi high. Annular preventer will be tested to 250 psi low and 2500 psi high on the surface casing and tested to 250 psi low and 2500 psi high on the intermediate casing. In the case of running a speed head with landing mandrel for 9.625" casing, initial surface casing test pressures will be 250 psi low and 3000 psi high, with wellhead seals tested to 5000 psi once the 9.625" casing has been landed and cemented. Matador is requesting a variance to use a speed head. Speed head diameter range is 13.375" x 9.625" x 5.5" x 2.875".

Matador requests a variance to drill this well using a co-flex line between the BOP and choke manifold. Certification for proposed co-flex hose is attached. Manufacturer does not require the hose to be anchored. If the specific hose is not available, then one of equal or higher rating will be used.

4. CASING & CEMENT

All casing will be API and new. See attached casing assumption worksheet.

Hole O. D.	Set MD	Set TVD	Casing O. D.	Weight (lb/ft)	Grade	Joint	Collapse	Burst	Tension
20"	0′ - 1600'	0′ - 1600'	Surface 13.375"	54.5	J-55	BTC	1.125	1.125	1.8
12.25"	0′ - 5400'	0′ - 5392'	Inter. 9.625"	40	J-55	BTC	1.125	1.125	1.8

DRILL PLAN PAGE 3

Matador Production Company Verna Rae Fed Com 113H SHL 230' FNL & 1785' FEL BHL 240' FSL & 1980' FEL Sec. 6, T. 20 S., R. 34 E., Lea County, NM

8.75"	8.75" 0′ - 1404		0′ – 9495′		Product. 20 5.5"		0 P-11		.10 DW		C/C	1.	125	1.125	1.8
Casing N	lame	Туре	e Sa	cks	s Yield Cu. Ft.			Weight Blend							
Surfa	Surface		1 17	764	1.75 3087		1	3.5		Class	C + 3	% NaCl +	LCM		
		Tail	5	59	1.38 771			'1	14	4.8		Class	C + 5	% NaCl +	LCM
то	C = GL			100% Excess						Cer	ntralize	ers pe	er Ons	hore Ord	ler 2
Interme	diate	Lead	12	262	1.8	81	- 22	84	1	3.5	Class C + Bentonite + 1% CaC 8% NaCl + LCM			-	
		Tail	4	90	1.3	8	67	6	14	4.8	Class C + 5% NaCl + LCM				
то	TOC = GL				100% Excess					2 on btm jt, 1 on 2nd jt, 1 every 4th jt to GL					
Produc	tion	Leac	5	503 2.25		25	1131		1	1.5	TXI + Fluid Loss + Dispersa Retarder + LCM				
		Tail	14	193	1.3	8	20	60	1	3.2	TXI + Fluid Loss + Dispersant Retarder + LCM				
тос		35% Excess					2 on btm jt, 1 on 2nd jt, 1 every other jt to top of tail cement (1000' above TOC)								

Matador requests the option to run a DV tool with annular packer as contingency in the intermediate section if lost circulation is encountered. If losses occur, then the DV tool with packer will be placed $\geq 100'$ above the loss zone to give the option to pump cement as either a single stage or two stage.

5. MUD PROGRAM

An electronic Pason mud monitoring system complying with Onshore Order 1 will be used. All necessary mud products (barite, bentonite, LCM) for weight addition and fluid loss control will be on location at all times. Mud program is subject to change due to hole conditions. A closed loop system will be used.

Туре	Interval (MD)	lb/gal	Viscosity	Fluid Loss
fresh water spud	0' - 1600'	8.4	28	NC
brine water	1600' - 5400'	10.0	30-32	NC
fresh water & cut brine	5400' - 14043'	9.0	30-32	NC

DRILL PLAN PAGE 4

Matador Production Company Verna Rae Fed Com 113H SHL 230' FNL & 1785' FEL BHL 240' FSL & 1980' FEL Sec. 6, T. 20 S., R. 34 E., Lea County, NM

6. CORES, TESTS, & LOGS

No core or drill stem test is planned.

A 2-person mud logging program will be used from ≈1600' to TD.

No electric logs are planned at this time. GR will be collected through the MWD tools from intermediate casing to TD. CBL with CCL will be run as far as gravity will let it fall to TOC.

7. DOWN HOLE CONDITIONS

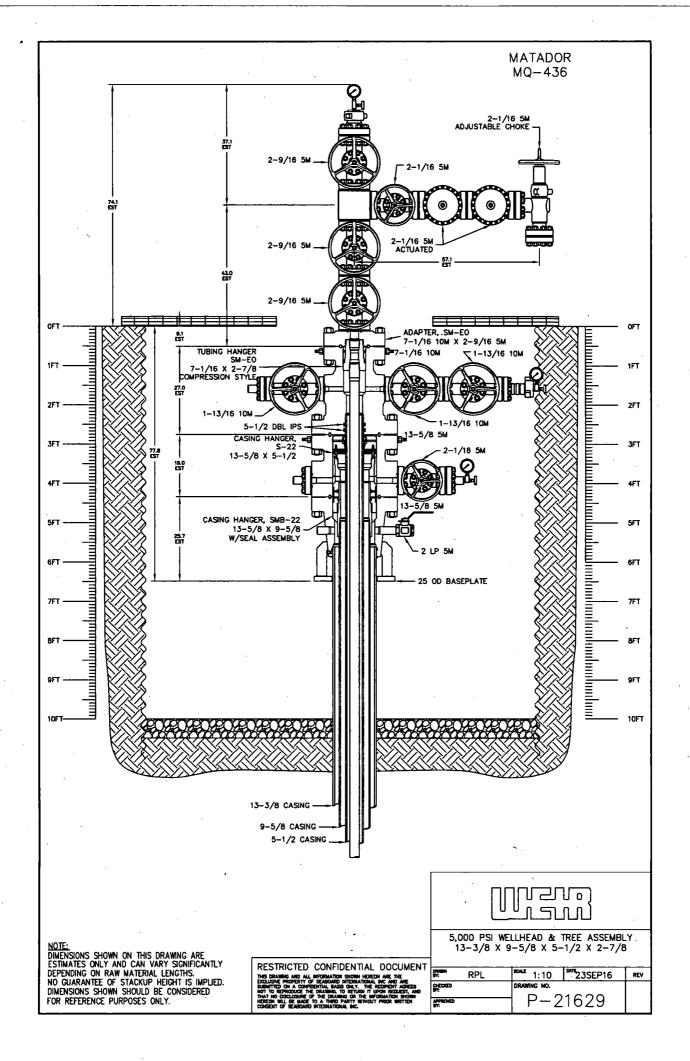
No abnormal pressure or temperature is expected. Maximum expected bottom hole pressure is ≈4725 psi. Expected bottom hole temperature is ≈140° F.

In accordance with Onshore Order 6, Matador does not anticipate that there will be enough H_2S from the surface to the Bone Spring to meet the BLM's minimum requirements for the submission of an " H_2S Drilling Operation Plan" or "Public Protection Plan" for drilling and completing this well. Since Matador has an H_2S safety package on all wells, an " H_2S Drilling Operations Plan" is attached. Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely. All personnel will be familiar with all aspects of safe operation of equipment being used.

8. OTHER INFORMATION

Anticipated spud date is upon approval. It is expected it will take \approx 3 months to drill and complete the well.

Matador Production Company owns the majority working interest in this well. Per its discussions with its potential partners, Matador will be named operator upon execution of the final Operating Agreements signed by the partners or the issuance of a pooling order by the State.



Technical Specifications

Connection Type: DWC/C-IS PLUS Casing standard **Size(O.D.):** 5-1/2 in Weight (Wall): 20.00 lb/ft (0.361 in)

Grade: VST P110 EC



Grade Minimum Yield Strength (psi) Minimum Ultimate Strength (psi)

Pipe Dimensions

Material

5.500 Nominal Pipe Body O.D. (in)
4.778 Nominal Pipe Body I.D.(in)
0.361 Nominal Wall Thickness (in)
20.00 Nominal Weight (lbs/ft)
19.83 Plain End Weight (lbs/ft)
5.828 Nominal Pipe Body Area (sq in)

Pipe Body Performance Properties

- 729,000 Minimum Pipe Body Yield Strength (lbs)
- 12,090 Minimum Collapse Pressure (psi)
- 14,360 Minimum Internal Yield Pressure (psi)
- 13,100 Hydrostatic Test Pressure (psi)

Connection Dimensions

- 6.300 Connection O.D. (in)
- 4.778 Connection I.D. (in)
- 4.653 Connection Drift Diameter (in)
- 4.13 Make-up Loss (in)
- 5.828 Critical Area (sq in)
- 100.0 Joint Efficiency (%)

Connection Performance Properties

- 729,000 Joint Strength (lbs)
- 26,040 Reference String Length (ft) 1.4 Design Factor
- 728,000 API Joint Strength (lbs)
- 729,000 Compression Rating (lbs)
- 12,090 API Collapse Pressure Rating (psi)
- 14,360 API Internal Pressure Resistance (psi)
- 104.2 Maximum Uniaxial Bend Rating [degrees/100 ft]

Appoximated Field End Torque Values

- 16,600 Minimum Final Torque (ft-lbs)
- 19,100 Maximum Final Torque (ft-lbs)
- 21,600 Connection Yield Torque (ft-lbs)

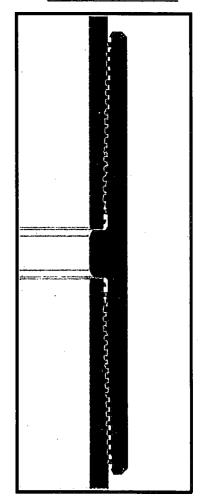
For detailed information on performance properties, refer to DWC Connection Data Notes on following page(s).

Connection specifications within the control of VAM USA were correct as of the date printed. Specifications are subject to change without notice. Certain connection specifications are dependent on the mechanical properties of the pipe. Mechanical properties of mill proprietary pipe grades were obtained from mill publications and are subject to change. Properties of mill proprietary grades should be confirmed with the mill. Users are advised to obtain current connection specifications and verify pipe mechanical properties for each application.

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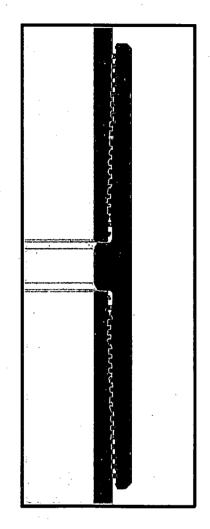
VAM USA 4424 W. Sam Houston Pkwy. Suite 150 Houston, TX 77041 Phone: 713-479-3200 Fax: 713-479-3234 E-mail: <u>VAMUSAsales@vam-usa.com</u>





DWC Connection Data Notes:

- 1. DWC connections are available with a seal ring (SR) option.
- All standard DWC/C connections are interchangeable for a give pipe OD. DWC connections are interchangeable with DWC/C-SR connections of the same OD and wall.
- 3. Connection performance properties are based on nominal pipe body and connection dimensions.
- DWC connection internal and external pressure resistance is calculated using the API rating for buttress connections. API Internal pressure resistance is calculated from formulas 31, 32, and 35 in the API Bulletin 5C3.
- 5. DWC joint strength is the minimum pipe body yield strength multiplied by the connection critical area.
- 6. API joint strength is for reference only. It is calculated from formulas 42 and 43 in the API Bulletin 5C3.
- 7. Bending efficiency is equal to the compression efficiency.
- 8. The torque values listed are recommended. The actual torque required may be affected by field conditions such as temperature, thread compound, speed of make-up, weather conditions, etc.
- 9. Connection yield torque is not to be exceeded.
- Reference string length is calculated by dividing the joint strength by both the nominal weight in air and a design factor (DF) of 1.4. These values are offered for reference only and do not include load factors such as bending, buoyancy, temperature, load dynamics, etc.
- 11. DWC connections will accommodate API standard drift diameters.



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4/14/2015

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

SUPO Data Report

<u>01/02/2018</u>

Highlighted data reflects the most

recent changes

Show Final Text

APD ID: 10400015037

Well Type: OIL WELL

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: VERNA RAE FEDERAL COM

Well Number: 113H

Submission Date: 06/13/2017

Well Work Type: Drill

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

VernaRae_113H_Road_Map_06-12-2017.pdf

Existing Road Purpose: ACCESS, FLUID TRANSPORT

ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

VernaRae_113H_Road_Map_06-12-2017.pdf

New road type: RESOURCE

Length: 629.25 Feet Width (ft.): 30

Max slope (%): 0

Max grade (%): 3

Army Corp of Engineers (ACOE) permit required? NO

ACOE Permit Number(s):

New road travel width: 14

New road access erosion control: Crown & ditch, surface with caliche

New road access plan or profile prepared? NO

New road access plan attachment:

Access road engineering design? NO

Access road engineering design attachment:

Row(s) Exist? NO

C.

Well Name: VERNA RAE FEDERAL COM

Well Number: 113H

Access surfacing type: OTHER

Access topsoil source: ONSITE

Access surfacing type description: Caliche

Access onsite topsoil source depth: 6

Offsite topsoil source description:

Onsite topsoil removal process: grader

Access other construction information:

Access miscellaneous information:

Number of access turnouts:

Access turnout map:

Drainage Control

New road drainage crossing: OTHER

Drainage Control comments: No drainage crossings needed.

Road Drainage Control Structures (DCS) description: Crown & ditch, no culverts needed.

Road Drainage Control Structures (DCS) attachment:

Access Additional Attachments

Additional Attachment(s):

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

VernaRae_113H_Well_Map_06-12-2017.pdf

Existing Wells description:

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? SUBMIT

Production Facilities description:

Production Facilities map:

VernaRae_113H_Production_Diagram_06-12-2017.pdf

Section 5 - Location and Types of Water Supply

Water Source Table

Operator Name: MATADOR PRODUCTION COMPANY Well Name: VERNA RAE FEDERAL COM

Water source use type: DUST CONTROL, STIMULATION

Describe type:

Source latitude:

Source datum:

Water source permit type: PRIVATE CONTRACT

Source land ownership: PRIVATE

Water source transport method: TRUCKING

Source transportation land ownership: PRIVATE

Water source volume (barrels): 15000

Source volume (gal): 630000

Water source and transportation map:

VernaRae_113H_Water_Source_Map_06-12-2017.pdf

Water source comments:

New water well? NO

New Water Well Info

Well latitude: Well datum: Well Longitude: Well target aquifer: Est. depth to top of aquifer(ft): Est thickness of aquifer: Aquifer comments: Aquifer documentation: Well depth (ft): Well casing type: Well casing outside diameter (in.): Well casing inside diameter (in.): New water well casing? Used casing source: Drill material: Drilling method: Grout material: Grout depth: Casing length (ft.): Casing top depth (ft.): Well Production type: **Completion Method:** Water well additional information: State appropriation permit: Additional information attachment:

Well Number: 113H

Water source type: GW WELL

Source longitude:

Source volume (acre-feet): 1.9333965

Well Name: VERNA RAE FEDERAL COM

Well Number: 113H

Section 6 - Construction Materials

Construction Materials description: NM One Call (811) will be notified before construction starts. Top 6" of soil and brush will be stockpiled north of the pad. V-door will face south. Closed loop drilling system will be used. Caliche will be hauled from existing caliche pits on private land. Klein pit is in SWNW 27-19S-35E. Berry pit is in E2NE4 35-20s-34e. **Construction Materials source location attachment:**

Section 7 - Methods for Handling Waste

Waste type: DRILLING

Waste content description: cuttings and mud

Amount of waste: 15000 barrels

Waste disposal frequency : Daily

Safe containment description: steel tanks

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: PRIVATE FACILITY

Disposal type description:

Disposal location description: Halfway, NM

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit?

Reserve pit length (ft.) Reserve pit width (ft.)

Reserve pit depth (ft.)

Reserve pit volume (cu. yd.)

Is at least 50% of the reserve pit in cut?

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? NO

Description of cuttings location

Cuttings area length (ft.)

Cuttings area depth (ft.)

Cuttings area width (ft.)

Cuttings area volume (cu. yd.)

Is at least 50% of the cuttings area in cut?

Well Name: VERNA RAE FEDERAL COM

Well Number: 113H

WCuttings area liner

Cuttings area liner specifications and installation description

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: NO Ancillary Facilities attachment:

Comments:

Section 9 - Well Site Layout

Well Site Layout Diagram:

VernaRae_113H_Well_Site_Layout_06-12-2017.pdf

Comments:

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance

Multiple Well Pad Name: VERNA RAE

Multiple Well Pad Number: SLOT 3

Recontouring attachment:

VernaRae_113H_Recontour_Plat_06-12-2017.PDF VernaRae_113H_Interim_Reclamation_Diagram_20170928092215.PDF Drainage/Erosion control construction: Surface with caliche

Drainage/Erosion control reclamation: Disturbed areas will be contoured to match pre-construction grades. Soil and brush will be evenly spread over disturbed areas and harrowed on the contour. Disturbed areas will be seeded in accordance with the surface owner's requirements.

Wellpad long term disturbance (acres): 3.15	Wellpad short term disturbance (acres): 3.57
Access road long term disturbance (acres): 0:43	Access road short term disturbance (acres): 0.43
Pipeline long term disturbance (acres): 0	Pipeline short term disturbance (acres): 0
Other long term disturbance (acres): 0	Other short term disturbance (acres): 0.49
Total long term disturbance: 3.58	Total short term disturbance: 4.49

Reconstruction method: Within 7 days disturbed areas will be contoured to match pre-construction grades. Soil and brush will be evenly spread over disturbed areas and harrowed on the contour with a grader. Disturbed areas will be seeded in accordance with the surface owner's requirements.

Topsoil redistribution: Soil will be evenly spread over disturbed areas

Soil treatment: No soil treatment planned, site will be revegetated in accordance with the surface owner's requirements.

Well Name: VERNA RAE FEDERAL COM

Well Number: 113H

Existing Vegetation at the well pad: Existing Vegetation at the well pad attachment:

Existing Vegetation Community at the road: Existing Vegetation Community at the road attachment: Existing Vegetation Community at the pipeline: Existing Vegetation Community at the pipeline attachment:

Existing Vegetation Community at other disturbances: Existing Vegetation Community at other disturbances attachment:

Non native seed used?

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project?

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation? Seed harvest description: Seed harvest description attachment:

Seed Management

Seed Table

Seed type:

Seed name:

Source name:

Source phone:

Seed cultivar:

Seed use location:

PLS pounds per acre:

Proposed seeding season:

Seed Summary Seed Type **Pounds/Acre**

Total pounds/Acre:

Seed source:

Source address:

Well Name: VERNA RAE FEDERAL COM

Well Number: 113H

Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

First Name:

Last Name:

Phone:

Email:

Seedbed prep:

Seed BMP:

Seed method:

Existing invasive species? NO

Existing invasive species treatment description:

Existing invasive species treatment attachment:

Weed treatment plan description: Noxious weeds will be controlled.

Weed treatment plan attachment:

Monitoring plan description: On pumper visits.

Monitoring plan attachment:

Success standards: To landowner's specifications.

Pit closure description: N/A (closed loop)

Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: WELL PAD Describe: Surface Owner: PRIVATE OWNERSHIP Other surface owner description: BIA Local Office: BOR Local Office: COE Local Office: DOD Local Office: NPS Local Office: State Local Office: Military Local Office:

USFWS Local Office:

Well Name: VERNA RAE FEDERAL COM

Well Number: 113H

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Fee Owner: Larry Hughes

Fee Owner Address: HC 69 Box 57 Monument NM 88265

Phone: (575)263-7602

Email:

Surface use plan certification: NO

Surface use plan certification document:

Surface access agreement or bond: Agreement

Surface Access Agreement Need description: Matador Resources Company has a private surface owner agreement with Larry Hughes (HC 69 Box 57, Monument NM 88265) for the Verna Rae Fed Com road in SESE Sec. 31, T. 19 S., R. 34 E. and the Verna Rae Fed Com slot 3 well site, road, and power line in Section 6, T. 20 S., R. 34 E., Lea County, NM. Matador Resources Company will file an Application for Right-Of-Way Easement with the NM State Land Office (PO Box 1148, Santa Fe NM 87504) for road access across S2S2 32-19s-34e. Their phone number is (505) 827-5728.

Surface Access Bond BLM or Forest Service: BLM

BLM Surface Access Bond number:

USFS Surface access bond number:

Section 12 - Other Information

Right of Way needed? NO

Use APD as ROW?

ROW Type(s):

ROW Applications

SUPO Additional Information: Deficiency Letter dated 9/19/17 requested: 1) Reclamation Diagram - see attached diagram 2) Surface Owner Agreement - see attachment in Other SUPO attachments **Use a previously conducted onsite?** YES

Previous Onsite information: On site inspection was held with Vance Wolf, Cassie Brooks, and Bob Ballard (all BLM) on April 3, 2017.

Other SUPO Attachment

VernaRae_113H_General_SUPO_06-12-2017.pdf VernaRae_113H_Surface_Owner_Agreement_20170927143000.pdf



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Section 1 - General

Would you like to address long-term produced water disposal? NO

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Lined pit Monitor description:

Lined pit Monitor attachment:

Lined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount:

Additional bond information attachment:

PWD disturbance (acres):

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Section 4 - Injection

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

PWD disturbance (acres):

PWD disturbance (acres):

Injection well type:

Injection well number:

Assigned injection well API number?

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

Produced Water Disposal (PWD) Location: PWD surface owner:

Surface discharge PWD discharge volume (bbl/day): Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment: Surface Discharge site facilities information:

Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location: PWD surface owner: Other PWD discharge volume (bbl/day): Other PWD type description: Other PWD type attachment: Have other regulatory requirements been met? Other regulatory requirements attachment: Injection well name:

Injection well API number:

PWD disturbance (acres):

PWD disturbance (acres):

FMSS

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Bond Information

Federal/Indian APD: FED

BLM Bond number: NMB001079

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment:

Bond Info Data Report

10 C -

01/02/2018

Well Name: VERNA RAE FEDERAL COM

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Well Number: 113H

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	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	DM	TVD
PPP Leg #1	0	FNL	194 3	FEL	20S	34E	6	Aliquot SWNE	32.60216 5	- 103.5973 81	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 40406	- 587 5	116 38	949 5
EXIT Leg #1	240	FSL	198 0	FEL	20S	34E	6	Aliquot SWSE	32.59555 65	- 103.5974 27		NEW MEXI CO	NEW MEXI CO	F	NMNM 40406	- 58 <u>7</u> 5	140 43	949 5
BHL Leg #1	240	FSL	198 0	FEL	20S	34E	6	Aliquot SWSE	32.59555 65	- 103.5974 27	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 40406	- 587 5		949 5

FMSS

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01/02/2018

Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

NAME: Brian Wood

Title: President

Street Address: 37 Verano Loop

City: Santa Fe

Phone: (505)466-8120

Email address: afmss@permitswest.com

State: NM

State:

Field Representative

Representative Name:

Street Address:

City: Phone:

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Email address:

Signed on: 06/13/2017

Zip: 87508

Zip: