

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Matador Production Company
LEASE NO.:	NMLC-0063798
WELL NAME & NO.:	Charles Ling Fed Com 214H
SURFACE HOLE FOOTAGE:	0330' FNL & 0791' FEL
BOTTOM HOLE FOOTAGE:	0240' FSL & 0330' FEL
LOCATION:	Section 11, T. 24 S., R 33 E., NMPM
COUNTY:	County, New Mexico

HOBBS OCD
AUG 06 2018
RECEIVED

Submit NMODC Gas Capture Plan via Sundry Notice.

Communitization Agreement

The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.

If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.

In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

☐ **Lea County**

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,
(575) 3933612

1. A Hydrogen Sulfide (H₂S) Drilling Plan shall be activated 500 feet prior to drilling into the Delaware formation. **As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public**

protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a “Major” violation.**
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.
4. **The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.**

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) for Water Basin:

After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least **8 hours**. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements.

Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possibility of water flows in the Salado and Castile.

Possibility of lost circulation in the Rustler, Red Beds, Delaware.

Abnormal pressure maybe encountered when penetrating the 3rd Bone Spring and all subsequent formations.

- 1. The 13-3/8 inch surface casing shall be set at approximately 1340 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. If salt is encountered, set casing at least 25 feet above the salt.**
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.**
 - b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.**
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.**

Formation below the 13-3/8" shoe to be tested according to Onshore Order

2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

1st Intermediate casing shall be kept fluid filled while running into hole to meet BLM minimum collapse requirements.

2. The minimum required fill of cement behind the 9-5/8 inch 1st intermediate casing is:

☐ Cement to surface. If cement does not circulate see B.1.a, c-d above.

Formation below the 9-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

3. The minimum required fill of cement behind the 7-5/8 X 7 inch 2nd intermediate casing is:

☐ Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.

Formation below the 7" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

4. The minimum required fill of cement behind the 5-1/2 X 4-1/2 inch production casing is:

☐ Cement as proposed by operator. Operator shall provide method of verification.

5. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API 53.
2. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored

according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. **Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).

3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be psi.
4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 7-5/8 X 7 intermediate casing shoe shall be psi. **10M system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.**

Variance approved to use a 5M annular. The annular must be tested to full working pressure (5000 psi.)

If multibowl option is utilized:

5. **Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing.**
 - a. **Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.**
 - b. **If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.**
 - c. **Manufacturer representative shall install the test plug for the initial BOP test.**
 - d. **Operator shall perform the 9-5/8" and 7-5/8 X 7" casing integrity tests to 70% of the casing burst. This will test the multi-bowl seals.**
 - e. **If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.**
6. The appropriate BLM office shall be notified a minimum of hours in advance for a representative to witness the tests.

- a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
- a. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**.
- b. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- c. The results of the test shall be reported to the appropriate BLM office.
- d. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
- e. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- f. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the **Wolfcamp** formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

D. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented.

E. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

F. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

JAM 062718

**PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	Matador Production Company
LEASE NO.:	NMLC0063798
WELL NAME & NO.:	212H-Charles Ling Fed Com
SURFACE HOLE FOOTAGE:	360'/N & 1845'/W
BOTTOM HOLE FOOTAGE:	240'/S & 1649'/W
LOCATION:	T-24S, R-33E, S-11. NMPM
COUNTY:	LEA, NM

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Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

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I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Cattle Guard Requirement

Any new or existing cattle guards on the access route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations. Once the road is abandoned, the fence would be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Livestock Watering Requirement

Structures that provide water to livestock, such as windmills, pipelines, drinking troughs, and earthen reservoirs, will be avoided by moving the proposed action.

Any damage to fences, cattle guards, and pipelines or structures that provide water to livestock during construction, throughout the life of the project, and caused by its operation, must be immediately corrected by Matador. Matador must notify the grazing allottee or the private surface landowner and the BLM-CFO (575-234-5972) if any damage occurs to pipelines or structures that provide water to livestock.

Production facilities on the well pads would be bermed to prevent oil, salt, and other chemical contaminants from leaving the pads. Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The berm shall be maintained through the life of the well and after interim reclamation has been completed.

Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control.

Roads will be routed around sinkholes and other karst features to avoid or lessen the possibility of encountering near surface voids and to minimize changes to runoff or possible leaks and spills from entering karst systems. Turnout ditches and drainage leadoffs will not be constructed in such a manner as to increase or decrease the natural flow of water into or out of cave or karst features. The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction and no further construction will be done until clearance has been issued by the Authorized Officer. Special restoration stipulations or realignment may be required.

All spills or leaks should be reported to the BLM immediately for their immediate and proper treatment.

To avoid or lessen the potential of subsidence or collapse of karst features, toxic or combustible gas buildup, or other possible impacts to cave and karst resources from buried pipelines or cables, alignments may be rerouted to avoid karst features. The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, passages, or voids are intersected by trenching, and no pipe will be laid in the trench at that point until clearance has been issued by the Authorized Officer. Special restoration stipulations or realignment may be required at such intersections, if any. Leak detection systems, back flow eliminators, and differential pressure shut-off valves may be required to minimize the impacts of leaking or ruptured pipelines. To eliminate these extreme possibilities, good record keeping is needed to quickly identify leaks for their immediate and proper treatment.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS**Road Width**

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

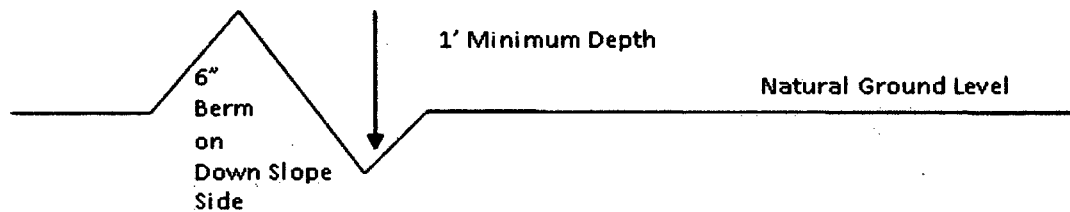
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill out sloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

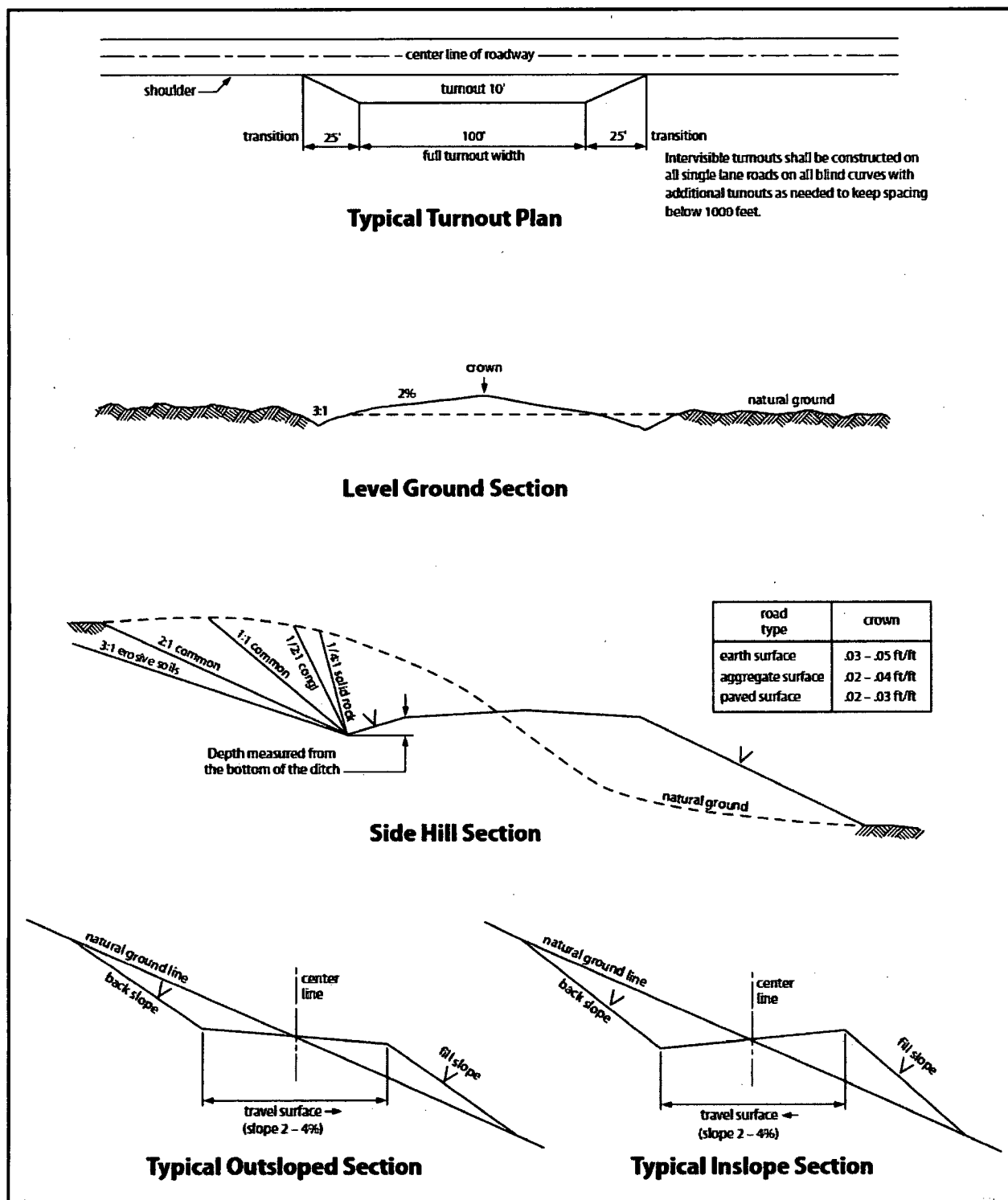


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.
6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.
7. The maximum allowable disturbance for construction in this right-of-way will be 30 feet:
- Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed 20 feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
 - Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
 - The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)
8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.
9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.
11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- | | |
|--|--|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3 |
| <input checked="" type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input type="checkbox"/> seed mixture 2/LPC | <input type="checkbox"/> Aplomado Falcon Mixture |

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

18. Escape Ramps - The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or

other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

C. ELECTRIC LINES

STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.

5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006 . The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the

Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. Special Stipulations:

- For reclamation remove poles, lines, transformer, etc. and dispose of properly.
- Fill in any holes from the poles removed.

VIII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

IX. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Seed Mixture 2, for Sandy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law (s) and within nine (9) months prior to purchase. Commercial seed will be either certified

or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species	lb/acre
Sand dropseed (<i>Sporobolus cryptandrus</i>)	1.0
Sand love grass (<i>Eragrostis trichodes</i>)	1.0
Plains bristlegrass (<i>Setaria macrostachya</i>)	2.0

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed



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

Operator Certification Data Report

07/18/2018

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

Signed on: 05/18/2018

Title: President

Street Address: 37 Verano Loop

City: Santa Fe

State: NM

Zip: 87508

Phone: (505)466-8120

Email address: afmss@permitswest.com

Field Representative

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

**DATA ARE INFORMATIVE ONLY.
BASED ON SI_PD-101836 P&B**

VAM® HTF-NR™
Connection Data Sheet

OD	Weight	Wall Th.	Grade	API Drift	Connection
7 5/8 in.	29.70 lb/ft	0.375 in.	P110 EC	6.750 in.	VAM® HTF NR

PIPE PROPERTIES	
Nominal OD	7.625 in.
Nominal ID	6.875 in.
Nominal Cross Section Area	8.541 sqin.
Grade Type	Enhanced API
Min. Yield Strength	125 ksi
Max. Yield Strength	140 ksi
Min. Ultimate Tensile Strength	135 ksi
Tensile Yield Strength	1 068 klb
Internal Yield Pressure	10 760 psi
Collapse pressure	7 360 psi

CONNECTION PROPERTIES	
Connection Type	Premium Integral Flush
Connection OD (nom)	7.701 in.
Connection ID (nom)	6.782 in.
Make-Up Loss	4.657 in.
Critical Cross Section	4.971 sqin.
Tension Efficiency	58 % of pipe
Compression Efficiency	72.7 % of pipe
Compression Efficiency with Sealability	34.8 % of pipe
Internal Pressure Efficiency	100 % of pipe
External Pressure Efficiency	100 % of pipe

CONNECTION PERFORMANCES	
Tensile Yield Strength	619 Klb
Compression Resistance	778 klb
Compression with Sealability	372 Klb
Internal Yield Pressure	10 760 psi
External Pressure Resistance	7 360 psi
Max. Bending	44 °/100ft
Max. Bending with Sealability	17 °/100ft

TORQUE VALUES	
Min. Make-up torque	9 600 ft.lb
Opti. Make-up torque	11 300 ft.lb
Max. Make-up torque	13 000 ft.lb
Max. Torque with Sealability	58 500 ft.lb
Max. Torsional Value	73 000 ft.lb

VAM® HTF™ (High Torque Flush) is a flush OD integral connection providing maximum clearance along with torque strength for challenging applications such as extended reach and slim hole wells, drilling liner / casing, liner rotation to achieve better cementation in highly deviated and critical High Pressure / High Temperature wells.

Looking ahead on the outcoming testing industry standards, VAM® decided to create an upgraded design and launch on the market the VAM® HTF-NR as the new standard version of VAM® extreme high torque flush connection. The VAM® HTF-NR has extensive tests as per API RP 5C5:2015 CAL II which include the gas sealability having load points with bending, internal pressure and high temperature at 135°C.

Do you need help on this product? - Remember no one knows VAM® like VAM®

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Over 180 VAM® Specialists available worldwide 24/7 for Rig Site Assistance

Other Connection Data Sheets are available at www.vamservices.com

Vallourec Group



For the latest performance data, always visit our website: www.tenaris.com

July 15 2015



Connection: TenarisXP™ BTC
Casing/Tubing: CAS
Coupling Option: REGULAR

Size: 5.500 in.
Wall: 0.361 in.
Weight: 20.00 lbs/ft
Grade: P110-IC
Min. Wall Thickness: 87.5 %

PIPE BODY DATA

GEOMETRY

Nominal OD	5.500 in.	Nominal Weight	20.00 lbs/ft	Standard Drift Diameter	4.653 in.
Nominal ID	4.778 in.	Wall Thickness	0.361 in.	Special Drift Diameter	N/A
Plain End Weight	19.83 lbs/ft				

PERFORMANCE

Body Yield Strength	641 x 1000 lbs	Internal Yield	12630 psi	SMYS	110000 psi
Collapse	12100 psi				

TENARISXP™ BTC CONNECTION DATA

GEOMETRY

Connection OD	6.100 in.	Coupling Length	9.450 in.	Connection ID	4.766 in.
Critical Section Area	5.828 sq. in.	Threads per In.	5.00	Make-Up Loss	4.204 in.

PERFORMANCE

Tension Efficiency	100 %	Joint Yield Strength	641 x 1000 lbs	Internal Pressure Capacity ⁽¹⁾	12630 psi
Structural Compression Efficiency	100 %	Structural Compression Strength	641 x 1000 lbs	Structural Bending ⁽²⁾	92 °/100 ft
External Pressure Capacity	12100 psi				

ESTIMATED MAKE-UP TORQUES⁽³⁾

Minimum	11270 ft-lbs	Optimum	12520 ft-lbs	Maximum	13770 ft-lbs
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OPERATIONAL LIMIT TORQUES

Operating Torque	21500 ft-lbs	Yield Torque	23900 ft-lbs		
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BLANKING DIMENSIONS

Blanking Dimensions

- (1) Internal Pressure Capacity related to structural resistance only. Internal pressure leak resistance as per section 10.3 API 5C3 / ISO 10400 - 2007.
- (2) Structural rating, pure bending to yield (i.e no other loads applied)
- (3) Torque values calculated for API Modified thread compounds with Friction Factor=1. For other thread compounds please contact us at licensees@oilfield.tenaris.com. Torque values may be further reviewed.
- For additional information, please contact us at contact-tenarishydril@tenaris.com

For the latest performance data, always visit our website: www.tenaris.com

December 31 2015



Connection: TenarisXP® BTC
Casing/Tubing: CAS
Coupling Option: REGULAR

Size: 4.500 in.
Wall: 0.290 in.
Weight: 13.50 lbs/ft
Grade: P110-ICY
Min. Wall Thickness: 87.5 %

Nominal OD	4.500 in.	Nominal Weight	13.50 lbs/ft	Standard Drift Diameter	3.795 in.
Nominal ID	3.920 in.	Wall Thickness	0.290 in.	Special Drift Diameter	N/A
Plain End Weight	13.05 lbs/ft				
Body Yield Strength	479 x 1000 lbs	Internal Yield	14100 psi	SMYS	125000 psi
Collapse	11620 psi				
Connection OD	5.000 in.	Coupling Length	9.075 in.	Connection ID	3.908 in.
Critical Section Area	3.836 sq. in.	Threads per in.	5.00	Make-Up Loss	4.016 in.
Tension Efficiency	100 %	Joint Yield Strength	479 x 1000 lbs	Internal Pressure Capacity ⁽¹⁾	14100 psi
Structural Compression Efficiency	100 %	Structural Compression Strength	479 x 1000 lbs	Structural Bending ⁽²⁾	127 °/100 ft
External Pressure Capacity	11620 psi				
Minimum	6950 ft-lbs	Optimum	7720 ft-lbs	Maximum	8490 ft-lbs
Operating Torque	10500 ft-lbs	Yield Torque	12200 ft-lbs		

Blanking Dimensions

Drilling Program

1. ESTIMATED TOPS

Formation Name	MD	TVD	Bearing
Quaternary	000	000	water
Rustler anhydrite	1338	1338	N/A
Salado salt	1865	1865	N/A
Castile	3740	3740	N/A
Base salt	5229	5219	N/A
Bell Canyon	5281	5270	hydrocarbons
Cherry Canyon	6358	6347	hydrocarbons
Brushy Canyon	7500	7488	hydrocarbons
Bone Spring Limestone	9037	9025	hydrocarbons
1 st Bone Spring carbonate	9836	9825	hydrocarbons
1 st Bone Spring sandstone	10044	10032	hydrocarbons
2 nd Bone Spring carbonate	10464	10452	hydrocarbons
2nd Bone Spring sandstone	10755	10744	hydrocarbons
3 rd Bone Spring carbonate	11280	11269	hydrocarbon
(KOP	11870	11858	hydrocarbons)
3 rd Bone Spring sandstone	11857	11846	hydrocarbons
Wolfcamp A carbonate (Goal)	12103	12085	hydrocarbons
TD	17193	12437	-

2. NOTABLE ZONES

Wolfcamp A carbonate 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 (C 04014) is 6,022' northeast. No well depth or depth to water bearing strata was reported for the well. NMOSE estimated depth to groundwater is 175'.

3. PRESSURE CONTROL

Equipment

A 12,000' 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.

Testing Procedure

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.

After setting surface casing, a minimum 5M BOPE system will be installed. Test pressures will be 250 psi low and 5000 psi high with the annular being tested to 250 psi low and 2500 psi high before drilling below surface shoe. In the event that the rig drills multiple wells on the pad and the BOPs are removed after setting Intermediate 2 casing, a full BOP test will be performed when the rig returns and the 5M BOPE system is re-installed. After setting 7-5/8" x 7" Casing, pressure tests will be made to 250 psi low and 10,000 psi high. Annular will tested to 250 psi low and 5000 psi high.

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 for setting the intermediate (9-5/8") casing. In the case of running a speed head with landing mandrel for 9-5/8" casing, BOP test pressures after setting surface casing will be 250 psi low and 5000 psi high. Annular will be tested to 250 psi low and 2500 psi high before drilling below the surface shoe. The BOPs will not be tested again until after setting 7-5/8" x 7" casing unless any flanges are separated. A diagram of the speed head is attached and 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
17.5"	0' - 1340'	0' - 1340'	13.375" surface	54.5	J-55	BTC	1.125	1.125	1.8
12.25"	0' - 5220'	0' - 5220'	9.625" inter. 1	40	J-55	BTC	1.125	1.125	1.8
8.75"	0' - 4920'	0' - 4889'	7.625" inter. 2 top	29.7	P-110	BTC	1.125	1.125	1.8
8.75"	4921' - 11800'	4890' - 11788'	7.625" inter. 2 middle	29.7	P-110	VAM HTF-NR	1.125	1.125	1.8
8.75"	11801' - 12669'	11789' - 12422'	7.000" inter. 2 bottom	29	P-110	VAM HTF-NR	1.125	1.125	1.8
6.125"	0' - 11700'	0' - 11688'	5.5" product. top	20	P-110	BTC	1.125	1.125	1.8
6.125"	11701' - 17193'	11689' - 12437'	4.5" product. Bottom	13.5	P-110	VAM DWC/C-IS MS	1.125	1.125	1.8

Casing Variance Request

Matador requests a variance to run 7-5/8" BTC casing inside 9-5/8" BTC casing which will be less than the 0.422" stand-off regulation. Matador has met with Christopher Walls and Mustafa Haque as well as other BLM representatives and determined that this would be acceptable as long as the 7-5/8" Flush casing was run throughout the entire 300' cement tie back section between 9-5/8" and 7-5/8" casing.

Name	Type	Sacks	Yield	Cu. Ft.	Weight	Blend
Surface	Lead	800	1.82	1456	13.5	Class C + Bentonite + 3% CaCl ₂ + 5% NaCl + LCM
	Tail	340	1.38	469.2	14.8	Class C + 5% NaCl + LCM
TOC = GL		100% Excess			Centralizers per Onshore Order 2.III.B.1f	
Intermediate 1	Lead	1290	1.82	2348	12.8	Class C + Bentonite + 2% CaCl ₂ + 3% NaCl + LCM
	Tail	500	1.38	690	14.8	Class C + 5% NaCl + LCM
TOC = GL		100% Excess			2 on btm jt, 1 on 2nd jt, 1 every 4th jt to surface	
Intermediate 2	Lead	520	2.36	1227	11.5	TXI + Fluid Loss + Dispersant + Retarder + LCM
	Tail	320	1.38	442	14.8	TXI + Fluid Loss + Dispersant + Retarder + LCM
TOC = 4200'		75% Excess			2 on btm jt, 1 on 2nd jt, 1 every other jt to top of tail cement (500' above TOC)	
Production	Tail	500	1.17	585	15.8	Class H + Fluid Loss + Dispersant + Retarder + LCM
TOC = 11700'		10% Excess			2 on btm jt, 1 on 2nd jt, 1 every third jt to top of curve	

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.

Type	Interval (MD)	lb/gal	Viscosity	Fluid Loss
fresh water spud	0' - 1340'	8.3	28	NC
brine water	1340' - 5220'	10.0	30-32	NC
fresh water & cut brine	5220' - 12744'	9.0	30-31	NC
OBM	12744' - 17193'	12.5	50-60	<10

Matador Production Company
Charles Ling Fed Com 214H
SHL 330' FNL & 791' FEL
BHL 240' FSL & 988' FEL
Sec. 11, T. 24 S., R. 33 E., Lea County, NM

DRILL PLAN PAGE 5

6. CORES, TESTS, & LOGS

No core or drill stem test is planned.

A 2-person mud logging program will be used from $\approx 5,220'$ 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 ≈ 8700 psi. Expected bottom hole temperature is $\approx 178^\circ$ 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 ≈ 3 months to drill and complete the well.



Well Control Plan For 10M MASP Section of Wellbore

Component and Preventer Compatibility Table:

The table below covers the drilling and casing of the 10M MASP portion of the well and outlines the tubulars and the compatible preventers in use. This table, combined with the mud program, documents that two barriers to flow can be maintained at all times, independent of the rating of the annular preventer.

Component	OD	Preventer	RWP
Drill pipe	4"	Lower 3.5-5.5" VBR Upper 3.5-5.5" VBR	10M
HWDP	4"		
Jars/Agitator	4.75-5"		
Drill collars and MWD tools	4.75-5.25"		
Mud Motor	4.75-5.25"		
Production casing	4.5-5.5"	Annular	5M
ALL	0-13.625"		
Open-hole	-	Blind Rams	10M

VBR = Variable Bore Ram with compatible range listed in chart

HWDP = Heavy Weight Drill Pipe

MWD = Measurement While Drilling

Well Control Procedures

Well control procedures are specific to the rig equipment and the operation at the time the kick occurs. Below are the minimal high-level tasks prescribed to assure a proper shut-in while drilling, tripping, running casing, pipe out of the hole (open hole), and moving the Bottom Hole Assembly (BHA) through the Blowout Preventers (BOP). The maximum pressure at which well control is transferred from the annular to another compatible ram is 3,000 psi.

General Procedure While Drilling

1. Sound alarm (alert crew)
2. Space out drill string
3. Shut down pumps and stop rotary
4. Shut-in well with the annular preventer (The Hydraulic Control Remote (HCR) valve and choke will already be in the closed position)
5. Confirm shut-in
6. Notify tool pusher and company representative
7. Read and record the following:
 - SIDPP and SICP
 - Pit gain
 - Time of shut in
8. Regroup and identify forward plan
9. If pressure has increased or is anticipated to increase above 3,000 psi, confirm spacing and close the upper pipe rams

General Procedure While Tripping

1. Sound alarm (alert crew)
2. Stab full opening safety valve and close



Well Control Plan For 10M MASP Section of Wellbore

3. Space out drill string
4. Shut-in well with annular preventer (The HCR valve and choke will already be in the closed position)
5. Confirm shut-in
6. Notify tool pusher and company representative
7. Read and record the following:
 - SIDPP and SICP
 - Pit gain
 - Time of shut in
8. Regroup and identify forward plan
9. If pressure has increased or is anticipated to increase above 3,000 psi, confirm spacing and close the upper pipe rams

General Procedure While Running Casing

1. Sound alarm (alert crew)
2. Stab crossover and full opening safety valve and close
3. Space out string
4. Shut-in well with annular preventer (The HCR valve and choke will already be in the closed position)
5. Confirm shut-in
6. Notify tool pusher and company representative
7. Read and record the following:
 - SIDPP and SICP
 - Pit gain
 - Time of shut in
8. Regroup and identify forward plan
9. If pressure has increased or is anticipated to increase above 3,000 psi, confirm spacing and close the upper pipe rams

General Procedure with No Pipe In Hole

1. At any point when the BOP stack is clear of pipe or BHA, the well will be shut in with blind rams, the HCR valve will be open, and choke will be closed. If pressure increase is observed:
2. Sound alarm (alert crew)
3. Confirm shut-in
4. Notify tool pusher and company representative
5. Read and record the following:
 - SICP
 - Time of shut in
6. Regroup and identify forward plan

General Procedure While Pulling BHA through Stack

1. Prior to pulling last joint/stand of drill pipe through the stack, perform flow check. If flowing:
 - a. Sound alarm (alert crew)
 - b. Stab full opening safety valve and close
 - c. Space out drill string
 - d. Shut-in well with annular preventer (The HCR valve and choke will already be in the closed position)
 - e. Confirm shut-in



Well Control Plan For 10M MASP Section of Wellbore

- f. Notify tool pusher and company representative
 - g. Read and record the following:
 - SIDPP and SICP
 - Pit gain
 - Time of shut in
 - h. Regroup and identify forward plan
2. With BHA in the stack and compatible ram preventer and pipe combo immediately available:
 - a. Sound alarm (alert crew)
 - b. Stab crossover and full opening safety valve and close
 - c. Space out drill string with the upset just beneath the compatible pipe ram
 - d. Shut-in well using compatible pipe rams (The HCR valve and choke will already be in the closed position)
 - e. Confirm shut-in
 - f. Notify tool pusher and company representative
 - g. Read and record the following:
 - SIDPP and SICP
 - Pit gain
 - Time of shut in
 - h. Regroup and identify forward plan
3. With BHA in the stack and no compatible ram preventer and pipe combo immediately available:
 - a. Sound alarm (alert crew)
 - b. If possible to pick up high enough, pull BHA clear of the stack
 - i. Follow "No Pipe in Hole" procedure above
 - c. If impossible to pick up high enough to pull string clear of the stack:
 - i. Stab crossover, make up one joint/stand of drill pipe, and full opening safety valve and close
 - ii. Space out drill string with the upset just beneath the compatible pipe ram
 - iii. Shut-in well using compatible pipe rams (The HCR valve and choke will already be in the closed position)
 - iv. Confirm shut-in
 - v. Notify tool pusher and company representative
 - vi. Read and record the following:
 - SIDPP and SICP
 - Pit gain
 - Time of shut in
 - vii. Regroup and identify forward plan

Well Control Drills

Well control drills are specific to the rig equipment, personnel, and operations. Each crew will execute one drill weekly relevant to ongoing operations, but will make a reasonable attempt to vary the type of drills. The drills will be recorded in the daily drilling log.

Casing Variance

Matador requests a variance to run 7-5/8" BTC casing inside 9-5/8" BTC casing which will be less than the 0.422" stand-off regulation. Matador has met with Christopher Walls and Mustafa Haque as well as other BLM representatives and determined that this would be acceptable as long as the 7-5/8" Flush casing was run throughout the entire 300' cement tie back section between 9-5/8" and 7-5/8" casing.



APD ID: 10400030394

Submission Date: 05/18/2018

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: CHARLES LING FED COM

Well Number: 214H

Well Type: OIL WELL

Well Work Type: Drill



[Show Final Text](#)

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

CL_214H_Existing_Road_Map_MAP1_20180518153201.pdf

Existing Road Purpose: ACCESS

Row(s) Exist? NO

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:

CL_214H_New_Road_Map_MAP2_20180518153306.pdf

New road type: LOCAL,RESOURCE

Length: 4312.53

Feet

Width (ft.): 30

Max slope (%): 0

Max grade (%): 4

Army Corp of Engineers (ACOE) permit required? NO

ACOE Permit Number(s):

New road travel width: 14

New road access erosion control: Crowned and ditched

New road access plan or profile prepared? NO

New road access plan attachment:

Access road engineering design? NO

Access road engineering design attachment:

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: CHARLES LING FED COM

Well Number: 214H

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: Crowned and ditched

Road Drainage Control Structures (DCS) description: None

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:

CL_214H_Well_Map_MAP3_20180518153332.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: This Surface Use Plan is in support of Matador's Charles Ling well pad and production facilities. Matador will operate twelve (12) oil wells arranged across four (4) well pads (Slots 1, 2, 3, & 4), two (2) central tank batteries (CTBs) (E2 & W2), flow lines, a gas pipeline (E2 & W2), and associated access roads. Matador intends to construct two central tank batteries. The W2 CTB will service the Slot 1 & 2 pads while the E2 CTB will service the Slot 3 & 4 pads. Matador will install 489.85' of 4" buried flowline from Slots 1 & 2 to the W2 CTB and 616.32' from Slots 3 & 4 to the E2 CTB, for a total of 1,106.17'. Matador will install a total of 2,505.96' of ~6" O.D. buried gas pipeline to connect to an existing DCP gas line in the NWNE of Section 11. This pipeline will include two segments, 1,777.13' from the W2 CTB to the DCP tie-in point and 728.83' from the E2 CTB to the DCP tie-in point.

Production Facilities map:

CL_214H_Production_Facilities_FIG1_20180518153342.pdf

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: CHARLES LING FED COM

Well Number: 214H

Section 5 - Location and Types of Water Supply

Water Source Table

Water source use type: DUST CONTROL,
INTERMEDIATE/PRODUCTION CASING, STIMULATION, SURFACE
CASING

Water source type: GW WELL

Describe type:

Source longitude:

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): 20000

Source volume (acre-feet): 2.577862

Source volume (gal): 840000

Water source and transportation map:

CL_214H_Water_Gravel_MAP4_20180518153451.pdf

Water source comments:

New water well? NO

New Water Well Info

Well latitude:

Well Longitude:

Well datum:

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:

Drilling method:

Drill material:

Grout material:

Grout depth:

Casing length (ft.):

Casing top depth (ft.):

Well Production type:

Completion Method:

Water well additional information:

State appropriation permit:

Operator Name: MATADOR JUNCTION COMPANY

Well Name: CHARLES LING FED COM

Well Number: 214H

Additional information attachment:

Section 6 - Construction Materials

Construction Materials description: COG and NM One Call (811) will be notified before construction starts. Top 6" of soil and brush will be stockpiled south of the pad. Pipe racks will face north. Closed loop drilling system will be used. Caliche will be hauled from an existing caliche pit on private (Madera) land in SENW 6-25s-35e.

Construction Materials source location attachment:

CL_214H_Construction_Methods_FIG1_20180518153547.pdf

Section 7 - Methods for Handling Waste

Waste type: DRILLING

Waste content description: Drill cuttings, mud, salts, and other chemicals

Amount of waste: 2000 barrels

Waste disposal frequency : Daily

Safe containment description: Steel tanks

Safe containmant attachment:

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

Disposal type description:

Disposal location description: R360's state approved (NM-01-0006) disposal site at 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? YES

Description of cuttings location Steel tanks on pad

Cuttings area length (ft.) **Cuttings area width (ft.)**

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: CHARLES LING FED COM

Well Number: 214H

Cuttings area depth (ft.)

Cuttings area volume (cu. yd.)

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

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:

CL_214H_Well_Site_Layout_FIG1_20180518153606.pdf

Comments:

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance

Multiple Well Pad Name: CHARLES LING FED COM

Multiple Well Pad Number: SLOT 4

Recontouring attachment:

CL_214H_Interim_Reclamation_v1_FIG1_20180518153616.pdf

CL_214H_Recontour_Plant_FIG2_20180518153627.pdf

Drainage/Erosion control construction: Crowned and ditched

Drainage/Erosion control reclamation: Harrowed on the contour

**Well pad proposed disturbance
(acres):** 4.5

Road proposed disturbance (acres):
0.45

**Powerline proposed disturbance
(acres):** 0

**Pipeline proposed disturbance
(acres):** 0

Other proposed disturbance (acres):
4.28

Total proposed disturbance: 9.23

Well pad interim reclamation (acres): 2 **Well pad long term disturbance
(acres):** 2.5

Road interim reclamation (acres): 0 **Road long term disturbance (acres):**
0.45

Powerline interim reclamation (acres): 0 **Powerline long term disturbance
(acres):** 0

Pipeline interim reclamation (acres): 0 **Pipeline long term disturbance
(acres):** 0

Other interim reclamation (acres): 0 **Other long term disturbance (acres):**
4.28

Total interim reclamation: 2

Total long term disturbance: 7.23

Disturbance Comments:

Operator Name: MATADOR CONSTRUCTION COMPANY

Well Name: CHARLES LING FED COM

Well Number: 214H

Reconstruction method: Interim reclamation will be completed within 6 months of completing the well. Interim reclamation will consist of shrinking each pad by 2 acres by removing caliche and reclaiming a 230' x 370' wide block on the east side of each pad. This will leave roughly 2.26 acres for operating 3 wells and a tractor-trailer turn around on each pad. 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 land owner's requirements.

Topsoil redistribution: Enough stockpiled topsoil will be retained on the south edge of the pad for Slots 1, 2, & 3 and on the east side of the pad for Slot 4. Top soil for the tank battery sites will be stockpiled on the south edge of each site. This soil will be used to cover the remainder of the pads and tank battery sites when the wells are plugged. Once the last well is plugged, then the rest of the pad and associated roads will be similarly reclaimed within 6 months of plugging. Noxious weeds will be controlled.

Soil treatment: None

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? NO

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project? NO

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation? NO

Seed harvest description:

Seed harvest description attachment:

Seed Management

Seed Table

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: CHARLES LING FED COM

Well Number: 214H

Seed type:

Seed source:

Seed name:

Source name:

Source address:

Source phone:

Seed cultivar:

Seed use location:

PLS pounds per acre:

Proposed seeding season:

Seed Summary	
Seed Type	Pounds/Acre

Total pounds/Acre:

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: To BLM standards

Weed treatment plan attachment:

Monitoring plan description: To BLM standards

Monitoring plan attachment:

Success standards: To BLM satisfaction

Pit closure description: No pit

Pit closure attachment:

Section 11 - Surface Ownership

Operator Name: MATADOR DUCTION COMPANY

Well Name: CHARLES LING FED COM

Well Number: 214H

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:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Fee Owner: Mark and Annette McCloy Revocable Trust 2014

Phone: (432)940-4459

Fee Owner Address: C/O Mark McCloy PO Box 795 Tatum NM 88267

Email:

Surface use plan certification: NO

Surface use plan certification document:

Surface access agreement or bond: Agreement

Surface Access Agreement Need description: In process

Surface Access Bond BLM or Forest Service:

BLM Surface Access Bond number:

USFS Surface access bond number:

Disturbance type: NEW ACCESS ROAD

Describe:

Surface Owner: PRIVATE OWNERSHIP

Other surface owner description:

BIA Local Office:

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: CHARLES LING FED COM

Well Number: 214H

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Fee Owner: Mark and Annette McCloy Revocable Trust 2014

Phone: (432)940-4459

Fee Owner Address: C/O Mark McCloy PO Box 795 Tatum NM 88267

Email:

Surface use plan certification: NO

Surface use plan certification document:

Surface access agreement or bond: Agreement

Surface Access Agreement Need description: In process

Surface Access Bond BLM or Forest Service:

BLM Surface Access Bond number:

USFS Surface access bond number:

Disturbance type: OTHER

Describe: Central Tank Battery

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:

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: CHARLES LING FED COM

Well Number: 214H

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Fee Owner: Mark and Annette McCloy Revocable Trust 2014

Phone: (432)940-4459

Fee Owner Address: C/O Mark McCloy PO Box 795 Tatum NM 88267

Email:

Surface use plan certification: NO

Surface use plan certification document:

Surface access agreement or bond: Agreement

Surface Access Agreement Need description: In process

Surface Access Bond BLM or Forest Service:

BLM Surface Access Bond number:

USFS Surface access bond number:

Disturbance type: PIPELINE

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:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Operator Name: MATADOR PRODUCTION COMPANY

Well Name: CHARLES LING FED COM

Well Number: 214H

Fee Owner: Mark and Annette McCloy Revocable Trust 2014

Phone: (432)940-4459

Fee Owner Address: C/O Mark McCloy PO Box 795 Tatum NM 88267

Email:

Surface use plan certification: NO

Surface use plan certification document:

Surface access agreement or bond: Agreement

Surface Access Agreement Need description: In process

Surface Access Bond BLM or Forest Service:

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:

Use a previously conducted onsite? YES

Previous Onsite information: On-site inspection was held on March 20, 2018 with Jesse Bassett (BLM).

Other SUPO Attachment

CL_214H_Slot4_SUPO_20180518154249.pdf

CHARLES LING FED COM SURFACE USE PLAN

Well Pad Slot 1: 131H, 201H, & 211H
Well Pad Slot 2: 132H, 202H, & 212H
Well Pad Slot 3: 133H, 203H, & 213H
Well Pad Slot 4: 134H, 204H, & 214H

1. DIRECTIONS & EXISTING ROADS (See Maps 1 & 2)

From the junction of NM State Highway 128 and Lea County Road 2A...
Go North 3.4 miles on paved CR 2A,
Then turn right and go East on unmarked lease road for 1.25 miles,
Then turn right on to new well access road

Roads on lease will be maintained to Gold Book standards. For short and long term maintenance, the existing well lease road from the well pad to CR 2A will be maintained jointly by Matador and other operators that regularly use the road. These roads are entirely on State land. For County Road 2A or roads considered as collector roads, the operator will defer to Lea County or the Roads Committee for maintenance determinations. If existing roads require reconstruction due to activity associated with this project, or if required by the New Mexico State Land Office, the operator will upgrade existing non-county road(s) according to State guidelines.

Well location is approximately 23 air miles Northwest of Jal, New Mexico.

2. ROAD TO BE UPGRADED (See Map 2)

A total of **4,312.53'** of new road will be built between the existing lease road in the SWSW of Section 2 and the Slot 4 pad in the NWNW of Section 11. Approximately **147.27'** of new road will be built on State lands in in the SWSW of Section 2 and **4,165.26'** of new road will be built on private lands in Section 11. No roads will be built on BLM surface. Topsoil and brush will be windowed beside the road. Road will be crowned (≈ 0.04 ft/ft), ditched, and have a $\approx 14'$ wide running surface. Maximum disturbed road width will be 30'. Maximum cut or fill = 3'. Maximum grade = 4%. Roads will be surfaced with caliche.

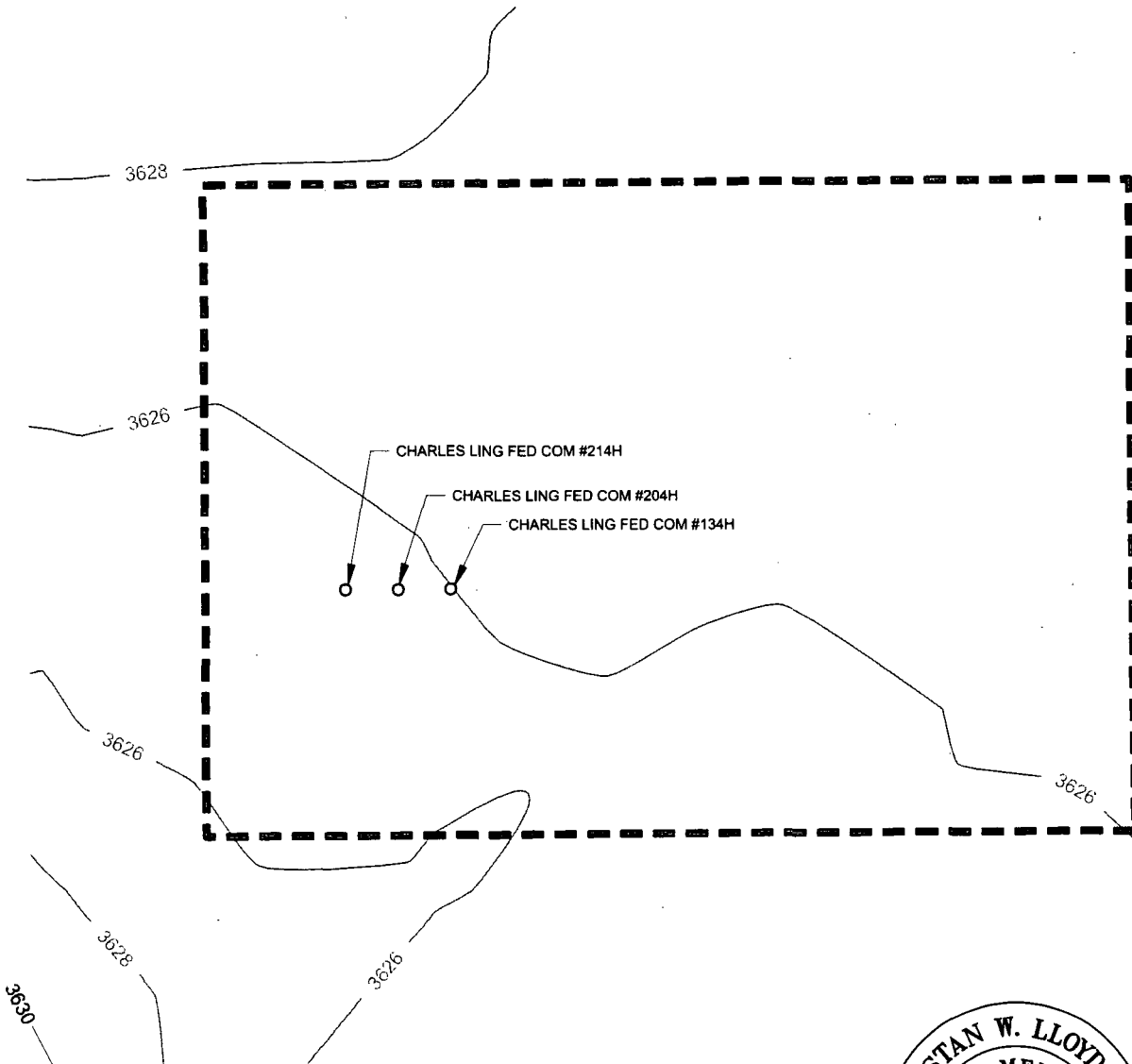
3. EXISTING WELLS (See Map 3)

Existing oil, gas, and P & A wells are within a mile. No existing disposal or injection wells are within a one mile radius. The closest existing well is an oil well and is located approximately 940' to the north. There are no fresh water wells within one mile.

SCALE: 1" = 100'
0' 50' 100'

EXHIBIT "A"

SECTION 11, TOWNSHIP 24-S, RANGE 33-E, N.M.P.M.
LEA COUNTY, NEW MEXICO



TOPOGRAPHIC
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TELEPHONE: (817) 744-7512 • FAX (817) 744-7548
TEXAS FIRM REGISTRATION NO. 10042504
WWW.TOPOGRAPHIC.COM



Stan W. Lloyd
Stan W. Lloyd, P.S. No. 19642

MARCH 5, 2018

Field note description of even date accompanies this plat.

CHARLES LING SLOT 4 SURFACE PAD SITE PROFILE	REVISION:	
	GJU	02/28/18
DATE: 10/18/17	GJU	03/05/18
FILE: CD_CHARLES_LING_SLOT_4_SURFACE_PAD_SITE_REV2		
DRAWN BY: EAH		
SHEET: 1 OF 2		

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. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY MATADOR PRODUCTION COMPANY. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.

Figure 2-3

4. PROPOSED PRODUCTION FACILITIES (See Fig. 1 – Production Layout/Interim Rec.)

This Surface Use Plan is in support of Matador's Charles Ling well pad and production facilities. Matador will operate twelve (12) oil wells arranged across four (4) well pads (Slots 1, 2, 3, & 4), two (2) central tank batteries (CTBs) (E2 & W2), flow lines, a gas pipeline (E2 & W2), and associated access roads.

Matador intends to construct two central tank batteries. The W2 CTB will service the Slot 1 & 2 pads while the E2 CTB will service the Slot 3 & 4 pads. Matador will install **489.85'** of 4" buried flowline from Slots 1 & 2 to the W2 CTB and **616.32'** from Slots 3 & 4 to the E2 CTB, for a total of **1,106.17'**. Matador will install a total of **2,505.96'** of ~6" O.D. buried gas pipeline to connect to an existing DCP gas line in the NWNE of Section 11. This pipeline will include two segments, **1,777.13'** from the W2 CTB to the DCP tie-in point and **728.83'** from the E2 CTB to the DCP tie-in point.

See table in Section 10 (below) for a detailed break-down of length and acreage for each pad slot and facility.

5. WATER SUPPLY (See Map 4)

Water will be trucked via existing roads from the existing Madera water station on private land in NWNE 21-24s-34e.

6. CONSTRUCTION NOTICES, MATERIALS, & METHODS (See Fig. 2 – Cut & Fill)

COG and NM One Call (811) will be notified before construction starts. Top ~6" of soil and brush will be stockpiled south of the pad. Pipe racks will face north. Closed loop drilling system will be used. Caliche will be hauled from an existing caliche pit on private (Madera) land in SENW 6-25s-35e.

7. WASTE DISPOSAL

No reserve pit will be used. No blow pit will be used.

All trash will be placed in a portable trash cage. It will be hauled to the Lea County landfill. There will be no trash burning. Contents (drill cuttings, mud, salts, and other chemicals) of the mud tanks will be hauled to R360's state approved (NM-01-0006) disposal site at Halfway. Human waste will be disposed of in chemical toilets and hauled to the Jal wastewater treatment plant.

8. ANCILLARY FACILITIES (See Figure 3 – Wellsite & Rig Layout)

There will be no airstrip, camp, or staging area. Camper trailers will be on location for the company man, tool pusher, and mud logger.

9. WELL SITE LAYOUT

See Figures 1, 2, & 3 for depictions of the well pads, central tank batteries, cross sections, cut and fill diagrams, access onto the location, parking, living facilities, and rig orientation.

10. RECLAMATION (See Fig. 1 – Production Layout/Interim Reclamation)

Interim reclamation will be completed within 6 months of completing the well. Interim reclamation will consist of shrinking each pad by ≈ 2 acres by removing caliche and reclaiming a 230' x 370' wide block on the east side of each pad. This will leave roughly **2.26 acres** for operating 3 wells and a tractor-trailer turn around on each pad. 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 land owner's requirements.

Enough stockpiled topsoil will be retained on the south edge of the pad for Slots 1, 2, & 3 and on the east side of the pad for Slot 4. Top soil for the tank battery sites will be stockpiled on the south edge of each site. This soil will be used to cover the remainder of the pads and tank battery sites when the wells are plugged. Once the last well is plugged, then the rest of the pad and associated roads will be similarly reclaimed within 6 months of plugging. Noxious weeds will be controlled.

See following table for a breakdown of short-term and long-term disturbance by well pad slot and facility type.

Charles Ling Fed Com Short & Long Term Disturbance Figures

Facility	Disturbance Interval	Pad	Road		Gas Line		Flowline		
		ac	ft	ac	ft	ac	ft	ac	
Slot 1	Short-term	4.5	-	-	-	-	-	-	Total Slot 1 Long-term (incl. rd, gas, flow, & CTB)
	Interim Rec	2	-	-	-	-	-	-	
	Long-term	2.5	284.29	0.20	-	-	243.94	0.17	6.83
Slot 2	Short-term	4.5	-	-	-	-	-	-	Total Slot 2 Long-term (incl. rd, gas, flow, & CTB)
	Interim Rec	2							
	Long-term	2.5	1,859.76	1.28	-	-	245.91	0.17	7.92
Slot 3	Short-term	4.5	-	-	-	-	-	-	Total Slot 3 Long-term (incl. rd, gas, flow, & CTB)
	Interim Rec	2							
	Long-term	2.5	1,511.38	1.04	-	-	171.08	0.12	6.91
Slot 4	Short-term	4.5	-	-	-	-	-	-	Total Slot 4 Long-term (incl. rd, gas, flow, & CTB)
	Interim Rec	2							
	Long-term	2.5	657.10	0.45	-	-	445.24	0.31	7.23
CTB E2	Short-term	2.75	-	-	-	-	-	-	Total E2 CTB Long-term
	Long-term	2.75	-	-	728.83	0.50	-	-	
CTB W2	Short-term	2.75	-	-	-	-	-	-	Total W2 CTB Long-term
	Long-term	2.75	-	-	1,777.13	1.22	-	-	
Total Project Short-term		23.5	-	-	-	-	-	-	
Total Project Long-term		15.50	4,312.53	2.97	2,505.96	1.72	1,106.17	0.76	

11. SURFACE OWNER (See Map 3)

All construction for Matador's well pads, pipelines, and CTBs will be on lease and on fee lands owned by Mark McCloy, whose address is PO BOX 795, Tatum NM 88267.

12. OTHER INFORMATION

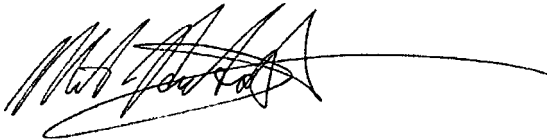
On-site inspection was held on March 20, 2018 with Jesse Bassett (BLM).

Matador Production Company, LLC
Charles Ling Fed Com Well Project
Sec. 11, T. 24S., R. 33E.
Lea County, New Mexico

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13. REPRESENTATION

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. Executed this 16th day of May, 2018.



Mike Deutsch, Agent
Permits West, Inc.
37 Verano Loop, Santa Fe, NM 87508
(505) 466-8120

Field representative will be:

Sam Pryor, Senior Staff Landman
Matador Production Company
5400 LBJ Freeway, Suite 1500, Dallas TX 75240
Phone: (972) 371-5241