

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Dylan M. Fuge
Deputy Secretary

Dylan M. Fuge, Division Director (Acting)
Oil Conservation Division



Mr. Kyle Perkins
Kperkins@matadorresources.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 8715

Matador Production Company [OGRID 228937]
Teri 22 17S 37E Well No. 1
API No. 30-025-49654

Surface Location; Directional Well

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|----------|--------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 100 FNL & 1130 FEL | A | 22 | 17S | 37E | Lea |
| Terminus | 51 FNL & 1297 FEL | A | 22 | 17S | 37E | Lea |

Proposed Unit

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|----------------------|--------------|----------------------------|------------------|
| NE/4 NE/4 Section 22 | 40 | Hobbs Channel; Bone Spring | 31705 |

Reference is made to your application received on February 12th, 2024.

This vertical well was drilled at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide rules, which provides for 40-acre units, with wells to be located at least 330 from the QTR/QTR line.

This well's completed interval is as close as 23 feet to the western boundary and 51 feet to the northern boundary. Encroachment will impact the following tracts.

- Section 22, encroachment to the NW/4 NE/4
- Section 15, encroachment to the SE/4 SE/4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

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Division understands that you are seeking this orthodox location due to recompleting this well into a different pool/formation within the Bonespring formation underlying the NE/4 NE/4 of Section 22. Thus, efficiently developing the acreage to prevent waste within the spacing unit.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



DYLAN M. FUGE
Division Director (Acting)

Date: 3/27/24

DMF/lrl

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 330623

CONDITIONS

| | |
|---|--|
| Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240 | OGRID: 228937 |
| | Action Number: 330623 |
| | Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| llowe | None | 4/5/2024 |