Form 3160-5 (June 2019)

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021

BUR	EAU OF LAND MANAGEME	NT		5. Lease Serial No.			
Do not use this t	NOTICES AND REPORTS O form for proposals to drill o Use Form 3160-3 (APD) for	or to re-enter ar	1	6. If Indian, Allottee of	or Tribe Name		
	TRIPLICATE - Other instructions on	7. If Unit of CA/Agre	ement, Name and/or No.				
1. Type of Well				8. Well Name and No			
Oil Well Gas V	Vell Other				•		
2. Name of Operator				9. API Well No.			
3a. Address	3b. Phone	No. (include area cod	de)	10. Field and Pool or	Exploratory Area		
4. Location of Well (Footage, Sec., T.,F	R.,M., or Survey Description)			11. Country or Parish, State			
12. CHE	CK THE APPROPRIATE BOX(ES) TO	O INDICATE NATUR	E OF NOTIO	CE, REPORT OR OT	HER DATA		
TYPE OF SUBMISSION		TY	YPE OF ACT	TION			
Notice of Intent		Deepen	=	action (Start/Resume)	Water Shut-Off		
		Hydraulic Fracturing New Construction	=	mation	Well Integrity		
Subsequent Report		Plug and Abandon		mplete orarily Abandon	Other		
Final Abandonment Notice		Plug Back		Disposal			
is ready for final inspection.)							
14. I hereby certify that the foregoing is	true and correct. Name (Printed/Typed	l)					
		Title					
Signature		Date					
	THE SPACE FOR F	EDERAL OR S	TATE OF	ICE USE			
Approved by							
		Title			Date		
Conditions of approval, if any, are attackerify that the applicant holds legal or each which would entitle the applicant to con-	equitable title to those rights in the subje						
Title 18 U.S.C. Section 1001 and Title 4	3 U.S.C Section 1212, make it a crime	for any person knowin	gly and will	fully to make to any de	epartment or agency of the Ur	nited States	

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

GENERAL INSTRUCTIONS

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

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

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

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-4.

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

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

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

(Form 3160-5, page 2)

Additional Information

Location of Well

 $0. \ SHL: \ NWNE \ / \ 300 \ FNL \ / \ 1965 \ FEL \ / \ TWSP: \ 21S \ / \ RANGE: \ 33E \ / \ SECTION: \ 19 \ / \ LAT: \ 32.470834 \ / \ LONG: \ -103.609534 \ (\ TVD: 0 \ feet, \ MD: 0 \ feet \)$ $PPP: \ SWSE \ / \ 100 \ FSL \ / \ 1650 \ FEL \ / \ TWSP: \ 21S \ / \ RANGE: \ 33E \ / \ SECTION: \ 18 \ / \ LAT: \ 32.471932 \ / \ LONG: \ -103.608515 \ (\ TVD: \ 11327 \ feet, \ MD: \ 11336 \ feet \)$ $BHL: \ NWNE \ / \ 100 \ FNL \ / \ 1650 \ FEL \ / \ TWSP: \ 21S \ / \ RANGE: \ 33E \ / \ SECTION: \ 18 \ / \ LAT: \ 32.485888 \ / \ LONG: \ -103.608524 \ (\ TVD: \ 11900 \ feet, \ MD: \ 17344 \ feet \)$



Sundry Print Report

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

Well Name: HORSESHOE FED COM Well Location: T21S / R33E / SEC 19 / County or Parish/State: LEA /

NWNE / 32.470834 / -103.609534

Well Number: 701H Type of Well: OIL WELL Allottee or Tribe Name:

Lease Number: NMNM129263 Unit or CA Name: Unit or CA Number:

US Well Number: 3002547058 Well Status: Approved Application for Operator: MATADOR

Permit to Drill PRODUCTION COMPANY

Notice of Intent

Sundry ID: 2665312

Type of Submission: Notice of Intent

Type of Action: APD Change

Date Sundry Submitted: 04/05/2022 Time Sundry Submitted: 02:58

Date proposed operation will begin: 08/12/2022

Procedure Description: BLM Bond No. NMB001079 Surety Bond No. RLB0015172 Matador respectfully requests the option to make the following changes to the Horseshoe Fed Com #701H: ● Upsize Well and Casing Design. Details can be found in the attached Drill Plan with updated casing, cement and drilling fluid information. Casing specification sheets for the 7" x 5-1/2" production casing is attached as well as the Casing Design Assumption Worksheet for the updated design. ● SHL change from 300' FNL and 1965' FEL to 305' FNL and 2155' FEL. The new SHL remains on the existing drill pad.

NOI Attachments

Procedure Description

BLM_Casing_Design_Assumptions_4_string_20220405094150.pdf

Casing_Specs_7.0_29_P110EC_DWC_C__20220405094150.pdf

Casing_Specs_5.5in_20lb_Hunting_TLW_SC_20220405094150.pdf

HORSESHOE_FED_COM_701H_Plat__REV___03_30_22_20220405094150.pdf

Horseshoe_701H_Drill_Plan___Casing_Cement_Mud_Sundry_20220405094150.pdf

eceived by OCD: 1/10/2023 12:50:33 PM Well Name: HORSESHOE FED COM

Well Location: T21S / R33E / SEC 19 /

NWNE / 32.470834 / -103.609534

County or Parish/State: LEA/ 5 of

Well Number: 701H

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMNM129263

Unit or CA Name:

Unit or CA Number:

US Well Number: 3002547058

Well Status: Approved Application for

Permit to Drill

Operator: MATADOR PRODUCTION COMPANY

Conditions of Approval

Additional

HORSESHOE FED COM 701H SUNDRY APD CALCULATIONS 20220525072452.pdf HORSESHOE_FED_COM_701H_SUNDRY_COA_20220525072412.pdf

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: NICKY FITZGERALD Signed on: APR 05, 2022 09:42 AM

Name: MATADOR PRODUCTION COMPANY

Title: Regulatory

Street Address: 5400 LBJ FREEWAY STE 1500

City: DALLAS State: TX

Phone: (972) 371-5448

Email address: nicky.fitzgerald@matadorresources.com

Field

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: CHRISTOPHER WALLS

BLM POC Phone: 5752342234

Disposition: Approved

Signature: Chris Walls

BLM POC Title: Petroleum Engineer

BLM POC Email Address: cwalls@blm.gov

Disposition Date: 12/28/2022

Page 2 of 2

Horseshoe Fed Com #701H

- Matador respectfully requests the option to amend the well design of the Horseshoe Fed Com #701H to make the following changes to the current APD.

Casing & Cement

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

String	Hole Size (in)	Set MD (ft)	Set TVD (ft)	Casing Size (in)	Wt. (lb/ft)	Grade	Joint	Collapse	Burst	Tension
Surface	26	0 - 1635	0 - 1635	20	94	J-55	BUTT	1.125	1.125	1.8
Intermediate 1	17.5	0 - 3600	0 - 3600	13.375	54.5	J-55	BUTT	1.125	1.125	1.8
Intermediate 2	12.25	0 - 5265	0 - 5265	9.625	40	J-55	BUTT	1.125	1.125	1.8
Production Top	8.75	0 - 11263	0 - 11263	7	29	P-110	VAM DWC/C	1.125	1.125	1.8
Production Bottom	8.75	11263 - 17344	0 - 11890	5.5	20	P-110	Hunting TLW	1.125	1.125	1.8

- All casing strings will be tested in accordance with Onshore Order #2 III.B.1.h
- Rustler top will be validated via drilling parameters (i.e. reduction in ROP) and surface casing setting depth revised accordingly if needed
- All non-API joint connections will be of like or greater quality and as run specification sheets will be on location for review
- Request option to run a full 5.5" production string, cement volumes will be adjusted accordingly.
- Request option to drill 8.5" hole throughout 5.5" production casing section. 7" casing will not be ran in 8.5" hole.
- Request option to run 7-5/8" intermediate #3 casing string and set 100' above KOP (11,263'). This hole section will be drilled with an 8-3/4" open hole. Optional decrease of the open hole size of the production curve/lateral section to 6-3/4" if 7-5/8" Int #3 string is ran. Cement volumes will be adjusted to meet original COA requirements.

String	Туре	Sacks	Yield	Cu. Ft.	Weight	Percent Excess	Top of Cement	Class	Blend	
Surface	Tail	3810	1.35	5143	14.8	100%	0	С	5% NaCl + LCM	
Intermediate 1	Lead	2130	1.78	3797	13.5	50%	0	С	5% NaCl + LCM	
	Tail	580	1.35	785	14.8	50%	2880	С	5% NaCl + LCM	
Intermediate 2	Lead	1280	1.78	2271	13.5	50%	0	С	Bentonite + 1% CaCL2 + 8% NaCl + LCM	
Intermediate 2	Tail	370	1.35	504	14.8	50%	4265	С	5% NaCl + LCM	
Production	Lead	340	3.66	1254	10.3	25%	3993	A/C	Fluid Loss + Dispersant + Retarder + LCM	
FIOUCTION	Tail	1370	1.35	1846	13.2	15%	10863	A/C	Fluid Loss + Dispersant + Retarder + LCM	

Matador requests the option to run a DV tool with annular packer as contingency in the intermediate 1 or 2 section on 13-3/8" or 9-5/8" casing if lost circulation is encountered. If losses occur, the DV tool with packer will be placed at least 100' above the loss zone to give the option to pump cement as either a single stage or two stage.

Drill Plan

Mud Program

An electronic Pason mud monitoring system complying with Onshore Order #2 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.

Hole Section	Hole Size (in)	Mud Type	Interval MD (ft)	Density (lb/gal)	Viscosity	Fluid Loss
Surface	26	Spud Mud	0 - 1635	8.4 - 8.8	28-30	NC
Intermediate 1	17.5	Brine Water	1635 - 3600	9.5 - 10.2	28-32	NC
Intermediate 2	12.25	Fresh Water	3600 - 5265	8.4 - 8.6	28-30	NC
Production	8.75	OBM/Cut Brine	5265 - 17344	8.6 - 9.4	28-30	NC

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<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-47058	•	² Pool Code 98033	³ Pool Name WC-025 G-10 S213328O; WOLFCAMP				
⁴ Property Code 332437			roperty Name SHOE FED COM	⁶ Well Number 701H			
⁷ OGRID No. 228937			perator Name ODUCTION COMPANY	⁹ Elevation 3806.7'			

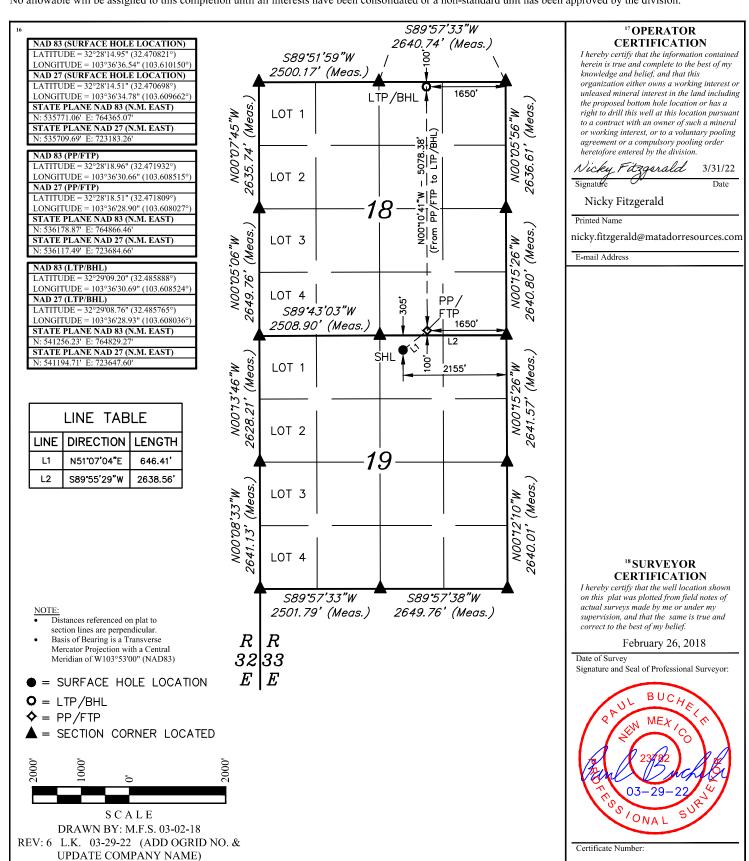
¹⁰ Surface Location

		UL or lot no. B	Section 19	21S	33E	Lot Idn	305	North/South line NORTH	2155	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

_												
	UL or lot no.	Sect	ion	Township	Range	Lot Idn	F	eet from the	North/South line	Feet from the	East/West line	County
	В	13	8	21S	33E			100	NORTH	1650	EAST	LEA
	12 Dedicated Acre	es	13 Jo	oint or Infill	14 Conso	olidation Code		15 Order No.				
	160		l									

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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TEC-LOCK WEDGE 5.500" 20 LB/FT (.361"Wall) with 5.875" SPECIAL CLEARANCE OD

BEN P110 CY

Pipe Body Data

Nominal OD:	5.500	in
Nominal Wall:	.361	in
Nominal Weight:	20.00	lb/ft
Plain End Weight:	19.83	lb/ft
Material Grade:	P110 CY	
Mill/Specification:	BEN	
Yield Strength:	125,000	psi
Tensile Strength:	135,000	psi
Nominal ID:	4.778	in
API Drift Diameter:	4.653	in
Special Drift Diameter:	None	in
RBW:	87.5 %	
Body Yield:	729,000	lbf
Burst:	14,360	psi
Collapse:	13,010	psi

Connection Data

Standard OD:	5.875	in
Pin Bored ID:	4.778	in
Critical Section Area:	5.656	in²
Tensile Efficiency:	97 %	
Compressive Efficiency:	100 %	
Longitudinal Yield Strength:	707,000	lbf
Compressive Limit:	729,000	lbf
Internal Pressure Rating:	14,360	psi
External Pressure Rating:	13,010	psi
Maximum Bend:	101.2	°/100ft

Operational Data

Minimum Makeup Torque:	15,000	ft*lbf
Optimum Makeup Torque:	18,700	ft*lbf
Maximum Makeup Torque:	41,200	ft*lbf
Minimum Yield:	45,800	ft*lbf
Makeup Loss:	5.97	in

Notes Operational Torque is equivalent to the Maximum Make-Up Torque



Generated on Sep 03, 2019

Technical Specifications

Connection Type:Size(O.D.):Weight (Wall):Grade:DWC/C Casing7 in29.00 lb/ft (0.408 in)VMS P110 EC

2012 API Spec 5CT Coupling O.D.

012 API Spec 5CT Coup	oling O.D.	
	Material	
VMS P110 EC	Grade	
125,000	Minimum Yield Strength (psi)	USA
135,000	Minimum Ultimate Strength (psi)	VAM LIOA
	• ,	VAM-USA 4424 W. Sam Houston Pkwy. Suite 150
	Pipe Dimensions	Houston, TX 77041
7.000	Nominal Pipe Body O.D. (in)	Phone: 713-479-3200 Fax: 713-479-3234
6.184	Nominal Pipe Body I.D.(in)	E-mail: <u>VAMUSAsales@na.vallourec.com</u>
0.408	Nominal Wall Thickness (in)	
29.00	Nominal Weight (lbs/ft)	
28.75	Plain End Weight (lbs/ft)	
8.449	Nominal Pipe Body Area (sq in)	
	Dina Pady Parformance Proportion	
1.056.000	Pipe Body Performance Properties	
1,056,000 9,580	Minimum Pipe Body Yield Strength (lbs) Minimum Collapse Pressure (psi)	
12,750	Minimum Internal Yield Pressure (psi)	3
11,700	Hydrostatic Test Pressure (psi)	3
11,700	Hydrostatic rest Pressure (psi)	3
	Connection Dimensions	
7.875	Connection O.D. (in)	
6.184	Connection I.D. (in)	2
6.125	Connection Drift Diameter (in)	
4.50	Make-up Loss (in)	
8.449	Critical Area (sq in)	
100.0	Joint Efficiency (%)	
	Connection Performance Properties	18
1,056,000	Joint Strength (lbs)	
26,010	Reference String Length (ft) 1.4 Design Factor	1311
1,045,000	API Joint Strength (lbs)	3
528,000	Compression Rating (lbs)	
9,580	API Collapse Pressure Rating (psi)	3
12,750	API Internal Pressure Resistance (psi)	
40.9	Maximum Uniaxial Bend Rating [degrees/100 ft]	
10.0		
	Appoximated Field End Torque Values	
26,800	Minimum Final Torque (ft-lbs)	
31,300	Maximum Final Torque (ff-lbs)	
35,800	Connection Yield Torque (ft-lbs)	

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

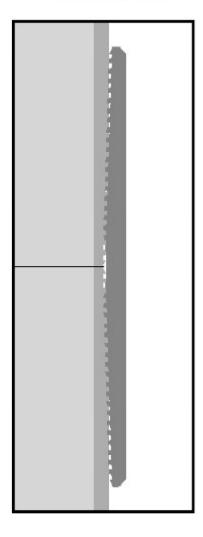
Connection specifications within the control of VAM-USA were correct as of the date printed. Specifications are subject to change without notice. Certain connection specifications are dependent on the mechanical properties of the pipe. Mechanical properties of mill proprietary pipe grades were obtained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

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DWC Connection Data Notes:

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



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

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Casing Design Criteria and Load Case Assumptions

Surface Casing

Collapse: DF_C=1.125

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.43 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.52 psi/ft).

Burst: DF_b=1.125

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

Tensile: DF_t=1.8

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

Intermediate #1 Casing

Collapse: DFc=1.125

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.52 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

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

Tensile: DF_t=1.8

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

Intermediate #2 Casing

Collapse: DF_C=1.125

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.52 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

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

Tensile: DFt=1.8

• Overpull: A downward force of 100,000 lbs is applied at the shoe along with the weight of the casing string utilizing the effects of buoyancy (8.4 ppg).

Production Casing

Collapse: DFc=1.125

- Full Internal Evacuation: Collapse force equal to the mud gradient in which the casing will be run (0.47 psi/ft). The effects of axial load on collapse will be considered.
- Cementing: Collapse force equal to the gradient of planned cement slurries to planned depths and mud gradient in which the casing will be run above that (0.47 psi/ft) and an internal force equal to mud gradient of displacement fluid (0.43 psi/ft).

Burst: DF_b=1.125

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

Tensile: DF_t=1.8

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

HORSESHOE FED COM 701H SUNDRY

20	surface o	esg in a	26	inch hole.		<u>Design</u> l	Factors			Surfac	е	
Segment	#/ft	Grade		Coupling	Joint	Collapse	Burst	Length	B@s	a-B	a-C	Weigh
"A"	94.00	J	55	BTC	9.12	0.7	1.11	1,635	3	1.89	1.34	153,69
"B"				BTC				0				0
w/8.4	#/g mud, 30min Sfo	c Csg Test psig:	764	Tail Cmt	does not	circ to sfc.	Totals:	1,635				153,69
	of Proposed to	Minimum R		ent Volumes								
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Req'd				Min Dis
Size	Volume	Cmt Sx	CuFt Cmt	Cu Ft	% Excess	Mud Wt	MASP	BOPE				Hole-Cp
26	1.5053	3810	5144	#N/A	#N/A	8.80	1116	2M				2.50
						Casing shall b	e kept 2/3 fl	uid filled				
									4			
13 3/8	casing ins		20			<u>Design</u>				Int 1	_	147
Segment	#/ft	Grade		Coupling	Body	Collapse	Burst	Length	B@s	а-В	a-C	Weigh
"A"	54.50	J	55	ВТС	4.35	0.59	1.16	3,600	. 1	2.29	1.01	196,20
"B"								0				0
w/8.4	#/g mud, 30min Sfo						Totals:	3,600				196,20
				chieve a top of	0	ft from su		1635				overlap.
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Req'd				Min Dis
Size	Volume	Cmt Sx	CuFt Cmt	Cu Ft	% Excess	Mud Wt	MASP	BOPE				Hole-Cp
17 1/2	0.6946	2710	4574	3031	51	10.20	1194	2M				1.56
Class 'H' tail c	mt yld > 1.20		Casing shall b	e kept 2/3 fluid i	filled.							
9 5/8	casing ins	side the	13 3/8			Design Fa	ctors			Int 2		
Segment	#/ft	Grade	•	Coupling	Body	Collapse	Burst	Length	B@s	a-B	a-C	Weigh
"A"	40.00	J	55	BTC	2.99	1.09	0.72	5,265	2	1.31	2.15	210,60
"B"								0				0
w/8.4	#/g mud, 30min Sfo	c Csg Test psig:	468				Totals:	5,265				210,60
				chieve a top of	0	ft from su		3600				overlap.
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Reg'd				Min Dis
Size	Volume	Cmt Sx	CuFt Cmt	Cu Ft	% Excess	Mud Wt	MASP	BOPE				Hole-Cp
12 1/4	0.3132	1650	2778	1827	52	8.60	3022	5M				0.81
Class 'C' tail cr	mt yld > 1.35						Casing shall b	oe kept 1/3 f	luid filled	d.		
Tail cmt												
	casing ins	side the	9 5/8			<u>Design</u>	Factors -	-//-//	•	Prod 1		
7		Grade		Coupling	Body	Collapse	Burst	Length	B@s	а-В	a-C	Weigh
Segment	#/ft			VAM DWC/C	3.20	1.74	2.32	11,263	2	4.22	3.17	,
-	#/ft 29.00	Р	110	V/ (IVI D VV O/ C				6,081	3	4 75	121	121,62
Segment			110 110	TLW	∞	2.37	2.61		3	4.75	4.31	
Segment "A" "B"	29.00 20.00 #/g mud, 30min Sfo	C Csg Test psig:	110 2,478	TLW			Totals:	17,344	3	4.75	4.31	448,24
Segment "A" "B" w/8.44	29.00 20.00 #/g mud, 30min Sfo	C Csg Test psig:	110 2,478		5065	ft from su	Totals:		3	4.75	4.31	448,24 overlap.
Segment "A" "B" w/8.44	29.00 20.00 #/g mud, 30min Sfo	C Csg Test psig:	110 2,478	TLW			Totals: Irface or a Calc	17,344 200 Req'd	3	4.75	4.31	448,24 overlap.
Segment "A" "B" w/8.44	29.00 20.00 #/g mud, 30min Sfo The cement vo	c Csg Test psig: colume(s) are	110 2,478 intended to a	TLW chieve a top of	5065	ft from su	Totals:	17,344 200	3	4.75	4.31	448,24

Carlsbad Field Office 5/25/2022

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME: | MATADOR PRODUCTION COMPANY

LEASE NO.: | NMNM129263

WELL NAME & NO.: | HORSESHOE FED COM 701H SUNDRY

SURFACE HOLE FOOTAGE: 305'/N & 2155'/E **BOTTOM HOLE FOOTAGE** 100'/N & 1650'/E

LOCATION: | Section 19, T.21 S., R.33 E., NMPM

COUNTY: LEA County, New Mexico

COA

H2S	O Yes	No	
Potash	O None	Secretary	• R-111-P
Cave/Karst Potential	• Low	O Medium	O High
Cave/Karst Potential	Critical		
Variance	O None	• Flex Hose	Other
Wellhead	Conventional	• Multibowl	O Both
Other	□4 String Area	✓ Capitan Reef	□WIPP
Other	Fluid Filled	☐ Cement Squeeze	☐ Pilot Hole
Special Requirements	☐ Water Disposal	☑ COM	□ Unit

All Previous COAs Still Apply.

A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

Primary Casing Design/Alternate Casing Design:

- 1. The **20** inch surface casing shall be set at approximately **1635** feet (a minimum of **25** feet (Lea County) into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - 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 will be a minimum of **24 hours in the Potash Area** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
- 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.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

2. The 13-3/8 inch Intermediate casing shall be set at 3600 feet. The minimum required fill of cement behind the 13-3/8 inch intermediate casing is:

Option 1 (Single Stage):

- Cement to surface. If cement does not circulate see B.1.a, c-d above.
 Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
- ❖ In <u>R111 Potash Areas</u> if cement does not circulate to surface on the first two salt protection casing strings, the cement on the 3rd casing string must come to surface.
- ❖ In <u>Capitan Reef Areas</u> if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
- Special Capitan Reef requirements. If lost circulation (50% or greater) occurs below the Base of the Salt, the operator shall do the following:
 (Use this for 3 string wells in the Capitan Reef, if 4 string well ensure FW based mud used across the capitan interval)
 - Switch to fresh water mud to protect the Capitan Reef and use fresh water mud until setting the intermediate casing. The appropriate BLM office is to be notified for a PET to witness the switch to fresh water.
 - Daily drilling reports from the Base of the Salt to the setting of the intermediate casing are to be submitted to the BLM CFO engineering staff via e-mail by 0800 hours each morning. Any lost circulation encountered is to be recorded on these drilling reports. The daily drilling report should show mud volume per

shift/tour. Failure to submit these reports will result in an Incidence of Non-Compliance being issued for failure to comply with the Conditions of Approval. If not already planned, the operator shall run a caliper survey for the intermediate well bore and submit to the appropriate BLM office.

3. The 9-5/8 inch intermediate casing shall be set at 5265 feet. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:

Option 1 (Single Stage):

- Cement to surface. If cement does not circulate see B.1.a, c-d above.
 Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
- 4. The minimum required fill of cement behind the 7 inch production casing is:
 - Cement should tie-back **200 feet** into the previous casing. Operator shall provide method of verification.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'

2. **BOP REQUIREMENTS**

Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000** (**3M**) psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **5000** (**5M**) psi.

RI05252022

District I
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District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 174697

CONDITIONS

Operator:	OGRID:
MATADOR PRODUCTION COMPANY	228937
One Lincoln Centre	Action Number:
Dallas, TX 75240	174697
	Action Type:
	[C-103] NOI Change of Plans (C-103A)

CONDITIONS

Created By		Condition Date
pkautz	None	1/18/2023