

RECEIVED: 5/09/2018	REVIEWER: MAM	TYPE: CTB	APP NO: 228937
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND  
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Applicant:** Matador Production Company**OGRID Number:** 228937**Well Name:** (See application)**API:** (See application)**Pool:** Wolfcamp (Gas) Pool**Pool Code:** 76780

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION  
 INDICATED BELOW**

**1) TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☒ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**FOR OCD ONLY**☐

Notice Complete

☐Application  
Content  
Complete**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required

**3) CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Adam G. Rankin

Print or Type Name

Signature

May 9, 2018

Date

505-988-4421

Phone Number

agrarkin@hollandhart.com

e-mail Address

May 11, 2018

**VIA HAND DELIVERY**

Heather Riley  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**Re: Amended Application of Matador Production Company for administrative approval for off-lease measurement and approval to surface commingle (lease commingle) oil and gas production from the spacing units comprised of the S/2 of Section 24 and the N/2 of Section 24, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico.**

Dear Ms. Riley,

By Administrative Order CTB-786 dated April 27, 2016, Matador Production Company (OGRID No. 228937) was authorized to surface commingle oil and gas production from the Forehand Ranch; Wolfcamp (Gas) Pool (76780) from certain wells located in Section 24, Township 23 South, Range 27 East, NMPM.

Matador now seeks administrative approval for an amendment to the April 27, 2016 order for off-lease measurement and approval to surface lease commingle oil and gas production from the Purple Sage; Wolfcamp (Gas) Pool (98220)<sup>1</sup> *from all existing and future wells and existing and future leases* drilled in the following areas of diverse ownership in Township 23 South, Range 27 East, NMPM, in Eddy County, New Mexico:

(a) The 320-acre standard spacing unit comprised of the S/2 of Section 24. This spacing unit is currently dedicated to the Dr. K 24-23S-27E RB No. 203H Well (API No. 30-015-43378), the Dr. K 24-23S-27E RB No. 204H Well (API No. 30-015-44804), and the Dr. K 24-23S-27E RB No. 223H Well (API No. 30-015-44562). The Dr. K 24-23S-27E RB No. 203H Well is currently producing and the Dr. K 24-23S-27E RB No. 204H Well the Dr. K 24-23S-27E RB No. 223H Well (not yet drilled) will produce from the Purple Sage; Wolfcamp (Gas) Pool (98220).

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<sup>1</sup> Since the approval of Administrative Order CTB-786, the pool associated with the Dr. K 24-23S-27E RB No. 203H Well and the Dr. K 24-23S-27E RB No. 206H Well was changed from the Forehand Ranch; Wolfcamp (Gas) Pool (76780) to the Purple Sage; Wolfcamp (Gas) Pool (98220).

(b) The 320-acre standard spacing unit comprised of the N/2 of Section 24. This spacing unit is currently dedicated to the Dr. K 24-23S-27E RB No. 206H Well (API No. 30-015-43379). This well is producing from the Purple Sage; Wolfcamp (Gas) Pool (98220).

(c) The 320-acre standard spacing unit comprised of the S/2 of Section 23. This spacing unit is currently dedicated to the Norris Thornton Com No. 204H Well (API No. 30-015-44659). This well (not yet drilled) will produce from the Purple Sage; Wolfcamp (Gas) Pool (98220).

Pursuant to NMAC 19.15.12.7, approved spacing units with diverse ownership are considered separate leases for surface commingling purposes. Matador seeks authority to surface commingle production according to the provisions of NMAC 19.15.12.10.C *from all existing and future wells* in these separate areas of diverse ownership at a surface facility located in the NE/4 SE/4 (Unit I) of Section 23. Pursuant to 19.15.12.10(C)(4)(g), Matador also seeks authority to commingle production into the Black River North Trunk Line from future leases with notice provided only to interest owners within future leases. Prior to commingling, gas production from each well will be separately metered using individual test separators with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each well will also be separately metered using a turbine meter.

**Exhibit 1** is a land plat showing Matador's current development and gathering system in the subject area. The plat identifies the wellbores, the spacing units, and the common surface facility located in the NE/4 SE/4 (Unit I) of Section 23. All lands in Sections 23 and 24 that are a part of this amended application are fee lands, except as the NW/4 SE/4 of Section 23, which is federally-owned.

**Exhibit 2** is a completed Application for Surface Commingling (Diverse Ownership) and Off-Lease Measurement Form C-107-B with a statement from Benjamin D. Peterson, P.E., identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (Exhibit A to the statement) and a referenced gas sample (Exhibit B to the statement).

**Exhibit 3** is a C-102 for each of the wells currently permitted or drilled within the existing spacing units with six-month production reports for these wells, if available.

**Exhibit 4** is a diagram of the surface facilities.

**Exhibit 5** is a list of the interest owners affected by this request for approval to off-lease measure and surface commingle production. A copy of this application with all attachments has been sent by certified mail to all affected parties advising them that if they have an objection they must file it in writing with the division within 20 days from the date the Division receives Matador's application.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Feldewert', with a large, stylized initial 'M'.

Michael H. Feldewert  
**ATTORNEY FOR**  
**MATADOR PRODUCTION COMPANY**

cc: Bureau of Land Management

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

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

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

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

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

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

LEASE TYPE: ☒ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. CTB-786  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

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

**(B) LEASE COMMINGLING**

Please attach sheets with the following information

- (1) Pool Name and Code- Purple Sage-Wolfcamp Gas Pool (Gas) Code: 98220  
(2) Is all production from same source of supply? ☒ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No  
(4) Measurement type: ☒ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

- (1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**

Please attached sheets with the following information

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

**(E) ADDITIONAL INFORMATION (for all application types)**

Please attach sheets with the following information

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

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

SIGNATURE: Ben Peterson TITLE: Senior Production Engineer DATE: 5-2-18

TYPE OR PRINT NAME Ben Peterson TELEPHONE NO.: (972) 371-5427

E-MAIL ADDRESS: bpeterson@matadorresources.com

**EXHIBIT**

**2**

# Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240  
Voice 972.371.5427 • Fax 972.371.5201  
[bpeterson@matadorresources.com](mailto:bpeterson@matadorresources.com)

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**Benjamin D. Peterson, P.E.**  
Senior Production Engineer

May 1, 2018

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

**Re: Application of Matador Production Company for the spacing units comprising Section 24, Township 23 South, Range 27 East, and S/2 Section 23, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Lands")**

To Whom This May Concern,

Matador Production Company ("Matador"), OGRID: 228937, requests to commingle current oil and gas production from five (5) distinct wells located on the Lands and future production from the Lands as described herein. All wells will be metered through individual test separators with an oil turbine meter and gas orifice meter. The gas commingling will occur after individual measurement at each well. Gas exiting each well test separator flows into one gathering line, as depicted on **Exhibit A**, the Longwood RB Pipeline, LLC line. Each well on the Lands will have its own test separator with an orifice meter manufactured and assembled in accordance with American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third party measurement company in accordance with industry specifications.

The orifice meter is the preferred measurement device utilized by midstream and E&P companies in natural gas measurement. The gas samples are obtained at the time of the meter testing/calibration and the composition and heating value are determined by a laboratory in accordance with American Petroleum Institute (API) specifications to ensure accurate volume and Energy (MMBTU) determinations. See example from Fesco Laboratory attached as **Exhibit B** hereto.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. The PFD shows that the water, oil, and gas leave the wellbore and flow into a wellhead test separator which separates the oil, gas, and water. The oil is measured via turbine meter which is calibrated periodically in accordance with industry specifications by a third party measurement company for accuracy. The gas is measured on a volume and MMBTU basis by an orifice meter and supporting EFM equipment in accordance with American Petroleum Association (API) Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of

the other wells' metered gas. The gathering line gas is then metered by another orifice meter at the tank battery check to show the total volume of gas leaving the Tank Battery. This meter is tested and calibrated in accordance with industry specifications and volume and energy are determined on an hourly, daily, and monthly basis. Once the gas exits this final tank battery sales check it travels directly into a third party sales connect meter. Longwood RB Pipeline, LLC has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

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

Very truly yours,

MATADOR PRODUCTION COMPANY

A handwritten signature in black ink, appearing to read 'B. Peterson', written in a cursive style.

Benjamin D. Peterson, P.E.  
Sr. Production Engineer

# Dr. K / Norris-Thornton Land Plat

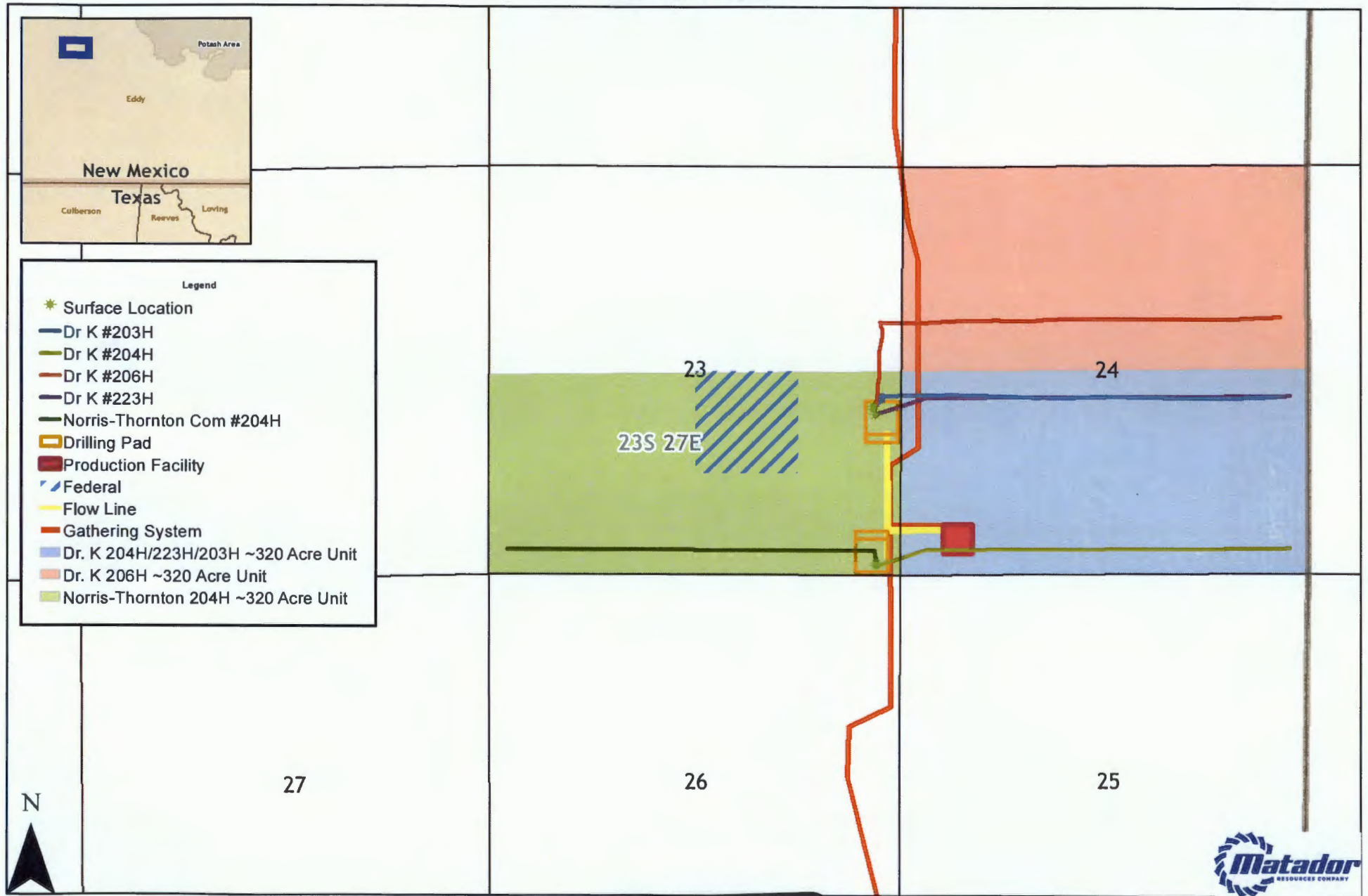
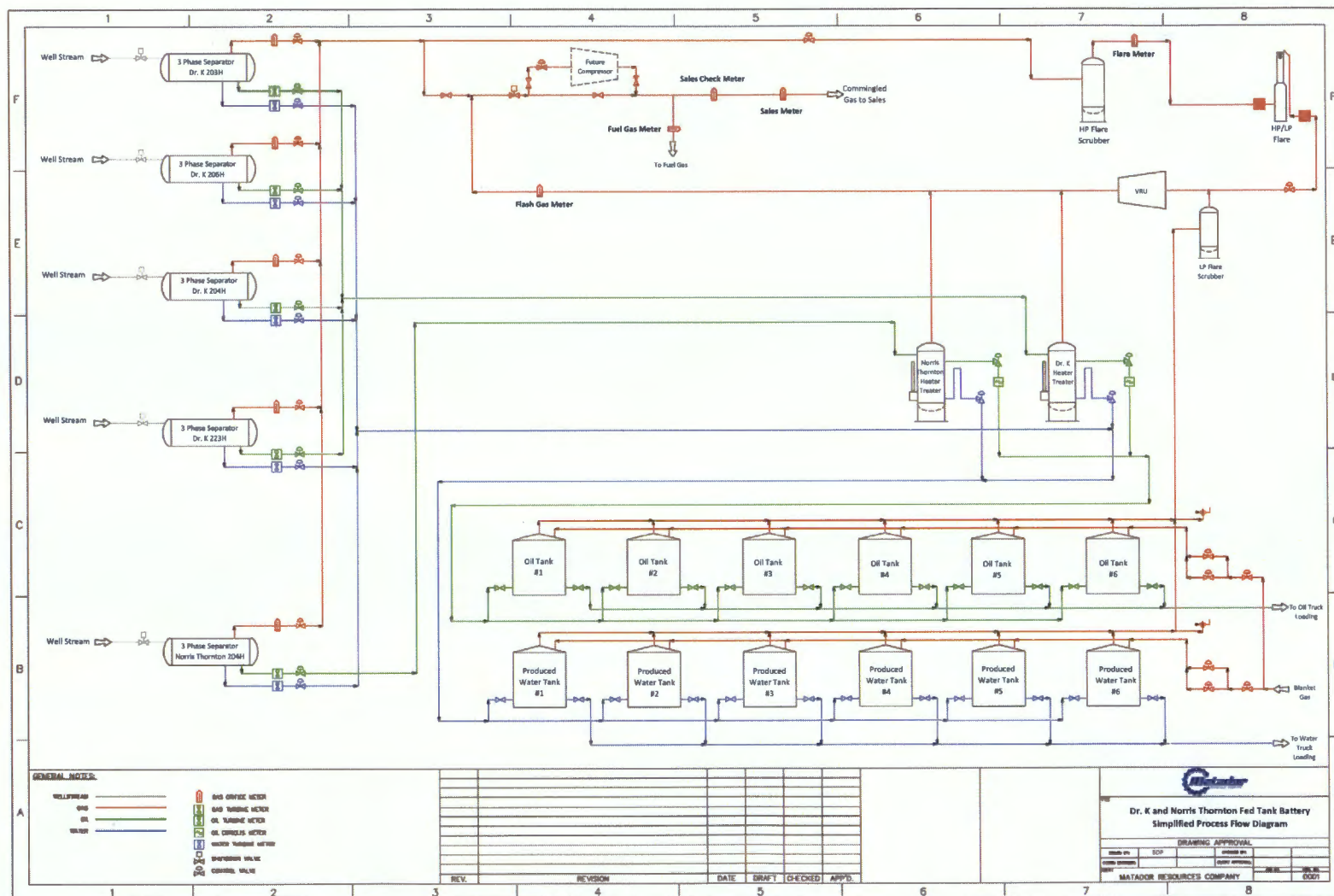


EXHIBIT  
**1**

**Matador**  
RESOURCES COMPANY  
Southeast New Mexico

Date: April 26, 2018  
Filename: ComminglingLandPlat\_DrKNorrisThornton  
Projection: NAD27 State Plane New Mexico East FIPS 3001  
Sources: IHS; ESRI;





tabbies®

4

EXHIBIT

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1030 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-44659		<sup>2</sup> Pool Code 98220	<sup>3</sup> Pool Name PURPLE SAGE;WOLFCAMP (GAS)
<sup>4</sup> Property Code 320070	<sup>5</sup> Property Name NORRIS THORNTON COM		<sup>6</sup> Well Number #204H
<sup>7</sup> GRID No. 228937	<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY		<sup>9</sup> Elevation 3135'

<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	23	23-S	27-E	-	189'	SOUTH	393'	EAST	EDDY

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	23	23-S	27-E	-	330'	SOUTH	240'	WEST	EDDY

<sup>11</sup> Dedicated Acres 321.74	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p><sup>15</sup></p> <p>FIRST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=555728 Y=467155 LAT.: N 32.2841964 LONG.: W 104.1530040 NAD 1983 X=596911 Y=467214 LAT.: N 32.2843162 LONG.: W 104.1535014</p>			<p><sup>17</sup>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that the organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well or this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Sara Hertfield</i> 12.8.17 Signature Date</p> <p>Sara Hertfield Printed Name</p> <p>shartsfield@matadorresources.com E-mail Address</p>
<p>BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 X=551020 Y=467145 LAT.: N 32.2841897 LONG.: W 104.1682374 NAD 1983 X=592203 Y=467203 LAT.: N 32.2843092 LONG.: W 104.1687354</p>	<p>LAST PERFORATION POINT NEW MEXICO EAST NAD 1927 X=551110 Y=467145 LAT.: N 32.2841898 LONG.: W 104.1679462 NAD 1983 X=592293 Y=467204 LAT.: N 32.2843094 LONG.: W 104.1684442</p>	<p><sup>18</sup>SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.</p> <p>11/28/2017 Date of Survey Signature of STANLEY LLOYD NEW MEXICO 19842 PROFESSIONAL SURVEYOR</p> <p><i>Stanley Lloyd</i> Certificate Number</p>	

**NM OIL CONSERVATION**  
ARTESIA DISTRICT

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
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Phone: (505) 476-3460 Fax: (505) 476-3462

FEB 27 2017 State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
**RECEIVED**  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

FORM C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☒ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-43379		<sup>2</sup> Pool Code 98220		<sup>3</sup> Pool Name PURPLE SAGE-WOLFCAMP GAS POOL					
<sup>4</sup> Property Code 315274		<sup>5</sup> Property Name DR. K 24-23S-27E RB						<sup>6</sup> Well Number #206H	
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY						<sup>9</sup> Elevation 3127'	
<sup>10</sup> Surface Location									
UL or lot no. I	Section 23	Township 23-S	Range 27-E	Lot Idn -	Feet from the 2153'	North/South line SOUTH	Feet from the 330'	East/West line EAST	County EDDY
UL or lot no. H	Section 24	Township 23-S	Range 27-E	Lot Idn -	Feet from the 1960'	North/South line NORTH	Feet from the 370'	East/West line EAST	County EDDY
<sup>11</sup> Dedicated Acres 320		<sup>12</sup> Joint or Infill		<sup>13</sup> Consolidation Code		<sup>14</sup> Order No.			

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

				<p><b>17 OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill that well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Trey Goodwin</i> 2/24/17 Signature Date</p> <p>Trey Goodwin Printed Name</p> <p>tgoodwin@matadorresources.com E-mail Address</p>	
<p><b>18 SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.</p> <p>09/16/2015 Date of Survey</p> <p><i>Michael B. Brown</i> Signature and Seal</p> <p>18329 Certificate Number</p>					

District I  
1625 N French Dr, Hobbs, NM 88240  
Phone (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S First St, Artesia, NM 88210  
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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

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

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

☒ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-015-43378</b>		<sup>2</sup> Pool Code <b>98220</b>	<sup>3</sup> Pool Name <b>PURPLE SAGE-WOLFCAMP GAS POOL</b>
<sup>4</sup> Property Code <b>315274</b>	<sup>5</sup> Property Name <b>DR. K 24-23S-27E RB</b>		<sup>6</sup> Well Number <b>#203H</b>
<sup>7</sup> GRID No. <b>228937</b>	<sup>8</sup> Operator Name <b>MATADOR PRODUCTION COMPANY</b>		<sup>9</sup> Elevation <b>3126'</b>

**<sup>10</sup>Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>I</b>	<b>23</b>	<b>23-S</b>	<b>27-E</b>	<b>-</b>	<b>2183'</b>	<b>SOUTH</b>	<b>330'</b>	<b>EAST</b>	<b>EDDY</b>

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>I</b>	<b>24</b>	<b>23-S</b>	<b>27-E</b>	<b>-</b>	<b>2310'</b>	<b>SOUTH</b>	<b>374'</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup> Dedicated Acres <b>320</b>	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p><b>14</b> 13</p> <p><b>23</b> 24</p> <p><b>PENETRATION POINT</b> NEW MEXICO EAST NAD 1927 X=556205 Y=469150 LAT.: N 32.2896784 LONG.: W 104.1514497 NAD 1983 X=597387 Y=469209 LAT.: N 32.2897982 LONG.: W 104.1519472 MD = 9335'</p> <p><b>FIRST TAKE POINT</b> NEW MEXICO EAST NAD 1927 X=556524 Y=469153 LAT.: N 32.2896844 LONG.: W 104.1504181 NAD 1983 X=597706 Y=469212 LAT.: N 32.2898042 LONG.: W 104.1509156 MD = 9676'</p> <p><b>LAST TAKE POINT</b> NEW MEXICO EAST NAD 1927 X=560842 Y=469139 LAT.: N 32.2896270 LONG.: W 104.1364437 NAD 1983 X=602025 Y=469198 LAT.: N 32.2897470 LONG.: W 104.1369408 MD = 14000'</p> <p><b>BOTTOM HOLE LOCATION</b> NEW MEXICO EAST NAD 1927 X=560987 Y=469146 LAT.: N 32.2896445 LONG.: W 104.1359743 NAD 1983 X=602170 Y=469205 LAT.: N 32.2897645 LONG.: W 104.1364712 MD = 14145'</p> <p><b>SURFACE LOCATION</b> NEW MEXICO EAST NAD 1927 X=555731 Y=469008 LAT.: N 32.2892898 LONG.: W 104.1529834 NAD 1983 X=596913 Y=469067 LAT.: N 32.2894096 LONG.: W 104.1534810 ELEV = 3126'</p>				<p><b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Trey Goodwin</i> Signature Date <b>2/21/17</b></p> <p><b>Trey Goodwin</b> Printed Name <b>tgoodwin@matadorresources.com</b> E-mail Address</p>	
<p><b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.</p> <p><b>09/18/2015</b> Date of Survey <i>Michael Brown</i> Signature <b>18329</b> Certificate Number</p>					

S:\SURVEY\MATADOR\_RESOURCES\DR\_K\_24-23S-27E\_RB\_203\FINAL\_PRODUCTS\AD\_DR\_K\_24-23S-27E\_RB\_203H\_C-102

**EXHIBIT**

**3**

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Bronco Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-44804		<sup>2</sup> Pool Code 98220		<sup>3</sup> Pool Name PURPLE SAGE WOLF CAMP (GAS)	
<sup>4</sup> Property Code 315274		<sup>5</sup> Property Name DR. K 24-23S-27E RB			<sup>6</sup> Well Number #204H
<sup>7</sup> OCRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3135'

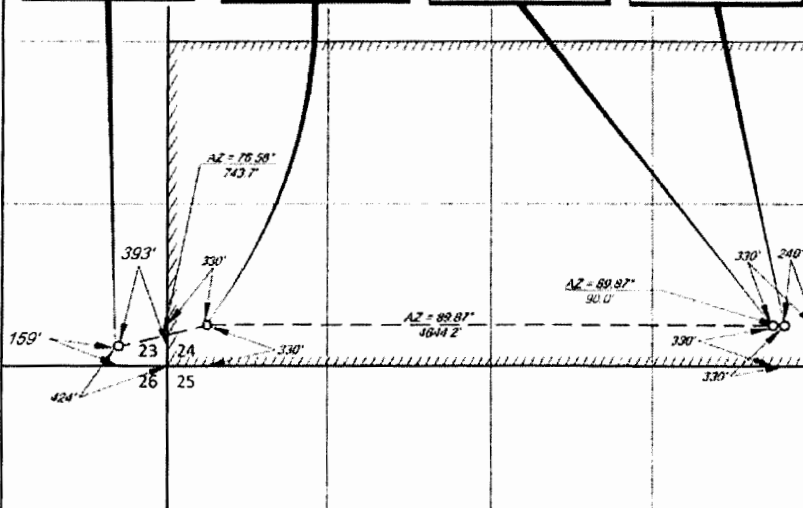
<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	23	23-S	27-E	-	159'	SOUTH	393'	EAST	EDDY

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	24	23-S	27-E	-	330'	SOUTH	240'	EAST	EDDY

<sup>11</sup> Dedicated Acres 322.93	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p><b>SURFACE LOCATION</b> NEW MEXICO EAST NAD 1927 X=555665 Y=466984 LAT.: N 32.2837260 LONG.: W 104.1532102 NAD 1983 X=596847 Y=467042 LAT.: N 32.2838458 LONG.: W 104.1537076</p>	<p><b>FIRST PERFORATION POINT</b> NEW MEXICO EAST NAD 1927 X=556398 Y=467158 LAT.: N 32.2841972 LONG.: W 104.1508683 NAD 1983 X=597571 Y=467215 LAT.: N 32.2843170 LONG.: W 104.1513656</p>	<p><b>LAST PERFORATION POINT</b> NEW MEXICO EAST NAD 1927 X=561032 Y=467166 LAT.: N 32.2842023 LONG.: W 104.1358406 NAD 1983 X=602215 Y=467225 LAT.: N 32.2843224 LONG.: W 104.1363374</p>	<p><b>BOTTOM HOLE LOCATION</b> NEW MEXICO EAST NAD 1927 X=561122 Y=467166 LAT.: N 32.2842024 LONG.: W 104.1355494 NAD 1983 X=602305 Y=467225 LAT.: N 32.2843224 LONG.: W 104.1360462</p>	<p><b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this information either creates a working interest or undivided mineral interest in the land included, the proposed bottom hole location or has a right to drill that well of this location pursuant to a contract with an owner of such a mineral or working interest, or is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>Chris Carleton</i> Date: _____ Printed Name: Chris Carleton E-mail Address: ccarleton@matadorresources.com</p>
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**18 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

Date of Survey: 10/6/18/2017  
Signature and Seal of Surveyor: *Michael E. Brown*  
Professional Surveyor  
Certificate Number: 18329

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (505) 393-6161 Fax: (505) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (505) 748-1283 Fax: (505) 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  
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-44562	<sup>2</sup> Pool Code 98220	<sup>3</sup> Pool Name PURPLE SAGE;WOLFCAMP (GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name DR. K 24-23S-27E RB	<sup>6</sup> Well Number #223H
<sup>7</sup> OCRID No. 228937	<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY	<sup>9</sup> Elevation 3127'

<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	23	23-S	27-E	-	2123'	SOUTH	330'	EAST	EDDY

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	24	23-S	27-E	-	2310'	SOUTH	240'	EAST	EDDY

<sup>11</sup> Dedicated Acres 322.91	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</sup> Order No.
---	-------------------------------	----------------------------------	-------------------------

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

<p><b>SURFACE LOCATION</b> NEW MEXICO EAST NAD 1927 X=555731 Y=468946 LAT.: N 32.2891248 LONG.: W 104.1529839 NAD 1983 X=598914 Y=469006 LAT.: N 32.2892445 LONG.: W 104.1534814</p>	<p><b>FIRST PERFORATION POINT</b> NEW MEXICO EAST NAD 1927 X=556392 Y=469136 LAT.: N 32.2896396 LONG.: W 104.1506463 NAD 1983 X=597574 Y=469195 LAT.: N 32.2897594 LONG.: W 104.1513438</p>	<p><b>LAST PERFORATION POINT</b> NEW MEXICO EAST NAD 1927 X=561031 Y=469146 LAT.: N 32.2896448 LONG.: W 104.1358319 NAD 1983 X=602214 Y=469205 LAT.: N 32.2897648 LONG.: W 104.1363288</p>	<p><b>BOTTOM HOLE LOCATION</b> NEW MEXICO EAST NAD 1927 X=561121 Y=469146 LAT.: N 32.2896448 LONG.: W 104.1355406 NAD 1983 X=602304 Y=469205 LAT.: N 32.2897648 LONG.: W 104.1360375</p>	<p><b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or leases mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or is a secondary drilling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Chris Carleton</i> 11/14/17 Signature Date Chris Carleton Printed Name ccarleton@matadorresources.com E-mail Address</p> <p><b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.</p> <p>11/NOV/2017 Date of Survey Signature and Seal STANLEY LLOYD PROFESSIONAL SURVEYOR 19642 Certificate Number</p>
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**Production Summary Report**  
**API: 30-015-43378**  
**DR K 24 23S 27E RB #203H**  
**Printed On: Monday, April 23 2018**

Year	Pool	Production					Injection				
		Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Jan	14463	38459	65755	23	0	0	0	0	0
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Feb	18914	51028	67640	29	0	0	0	0	0
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Mar	15811	37087	54852	31	0	0	0	0	0
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Apr	11747	28205	44420	30	0	0	0	0	0
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	May	7212	16360	25076	20	0	0	0	0	0
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Jun	4528	9303	34947	20	0	0	0	0	0
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Jul	5502	14149	37995	30	0	0	0	0	0
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Aug	1876	4384	10214	10	0	0	0	0	0
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Sep	8964	25943	45680	30	0	0	0	0	0
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Oct	8114	29690	40345	31	0	0	0	0	0
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Nov	5841	19563	28171	30	0	0	0	0	0
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Dec	5020	14157	23321	29	0	0	0	0	0
2017	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Jan	3777	11621	18666	31	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Feb	3089	11162	17947	28	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Mar	2947	12471	18298	31	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Apr	2531	11992	17936	30	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	May	2517	10675	16094	31	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jun	2357	10166	14921	30	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jul	2486	4132	13385	31	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Aug	2438	9886	15189	31	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Sep	2351	13670	15356	30	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Oct	2092	10563	14013	31	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Nov	1730	8012	12869	30	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Dec	1886	5662	11025	31	0	0	0	0	0
2018	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jan	1849	5969	10794	31	0	0	0	0	0
2018	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Feb	1553	4161	10475	28	0	0	0	0	0

**Production Summary Report**

API: 30-015-43379

DR K 24 23S 27E RB #206H

Printed On: Monday, April 23 2018

Year	Pool	Production					Injection				
		Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Jun	6236	13963	38649	13	0	0	0	0	0
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Jul	18896	35447	58779	31	0	0	0	0	0
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Aug	15567	32791	45812	31	0	0	0	0	0
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Sep	11988	25120	35058	30	0	0	0	0	0
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Oct	9881	18564	34080	31	0	0	0	0	0
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Nov	8340	20070	28688	30	0	0	0	0	0
2016	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Dec	6835	21367	30812	24	0	0	0	0	0
2017	[76780] FOREHAND RANCH;WOLFCAMP (G)(ABOLISH	Jan	8306	21831	30812	31	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Feb	7515	23934	35048	28	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Mar	7062	25001	36175	31	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Apr	6681	25472	35619	30	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	May	5982	22412	33091	31	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jun	5118	20562	30558	30	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jul	4492	23574	25350	31	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Aug	3626	15979	23657	31	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Sep	3203	7787	20600	30	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Oct	4247	12680	23983	31	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Nov	3832	14734	17328	30	0	0	0	0	0
2017	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Dec	3533	13149	15059	31	0	0	0	0	0
2018	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Jan	3657	17951	16864	31	0	0	0	0	0
2018	[98220] PURPLE SAGE;WOLFCAMP (GAS)	Feb	3074	15883	18229	28	0	0	0	0	0



Antonio C. Onsurez, Trustee of the Gumesinda Carrasco Onsurez Revocable Trust dated April 7, 1997

PO Box 598  
Loving, NM 88256

Big Three Energy Group, LLC  
P. O. Box 429  
Roswell, NM 88202-0429

Big Three Energy Group, LLC  
P. O. Box 429  
Roswell, NM 88202

Bonnie R. Norfleet Newman  
1564 Northcrest Lane  
Vista, CA 92083

Camarie Oil & Gas, LLC  
2502 Camarie Ave  
Midland, TX 79705

Carol Jean Hanks  
15508 Dalwood Ave  
Norwalk, CA 90650

Chalcarn Exploration LLC  
200 West First  
Suite 434  
Roswell, NM 88201

Featherstone Development Corporation  
P.O. Box 429  
Roswell, NM 88202

Gumesinda Carrasco Onsurez Revocable Trust  
P.O. Box 598  
Loving, NM 88256

Heirs or Devisees of Gumesinda C. Onsurez  
PO Box 272  
Loving, NM 88256

Heirs or Devisees of Pedro L. Onsurez  
PO Box 391  
Loving, NM 88256

Hope Royalties, LLC  
PO Box 1326,  
Artesia, NM 88211-1326

Lovella Williams Kilman  
8425 James, NE  
Albuquerque, NM 87111

Madison M. Hinkle  
P. O. Box 2292  
Roswell, NM 88202-2292

Melissa McCarthy (f/k/a Melissa G. Williams)  
48073 Larrabee St.  
Edwall, WA 99008

Michael D. Price  
5450 Governor Circle  
Stockton, CA 95210

MRC Permian Company  
5400 Lyndon B Johnson Fwy  
Suite 1500,  
Dallas, TX 75240

MRC Permian Company LKE  
5400 Lyndon B Johnson Fwy  
Suite 1500,  
Dallas, TX 75240

Prospector, LLC  
P.O. Box 429  
Roswell, NM 88202

Reed T. Kimbley  
PO Box 595  
Loving, NM 88202-0429

Richard L. Parrott  
2802 E Vista Way  
Vista, CA 92084

Richard Lee Boyd  
928 N Halagueno  
Carlsbad, NM 88220



Robert B. Callison and wife, Sharyn K. Callison  
1303 S Country Club Circle  
Carlsbad, NM 88220

Robert B. Callison, SSP  
1303 S Country Club Circle  
Carlsbad, NM 88220

Rolla R. Hinkle III  
P. O. Box 2292  
Roswell, NM 88202-2292

Ross Duncan Properties LLC  
P. O. Box 647  
Artesia, NM 88211-0647

Sandra K. Grant  
9210 Dona Lugo Way  
Stockton, CA 95210

Sandra K. Norfleet Clark  
2725 Aspen Ridge Court  
Beaver Creek, OH 45431

Shrader Enterprises, LP  
3349 South St Paul  
Wichita, KS 67217

The United States of America  
620 East Greene St.  
Carlsbad, NM 88220

Tierra Oil Company, LLC  
P.O. Box 700968  
San Antonio, TX 78270-0968

Veronica Onsurez  
PO Box 1313  
Carlsbad, NM 88221

Xplor Resources, LLC  
1104 North Shore Drive  
Carlsbad, NM 88220-4638

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

**Tony Delfin**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



**ADMINISTRATIVE CENTRAL TANK BATTERY ORDER**

Administrative Order CTB-786  
Administrative Application Reference No. pMAM1611034345

April 27, 2016

**MATADOR PRODUCTION COMPANY**

Attention: Ms. Jordan Kessler

Matador Production Company (OGRID 228937) is hereby authorized to surface commingle oil and gas production from Forehand Ranch; Wolfcamp (Gas) Pool (pool code 76780) from the following diversely owned Fee leases and wells in Eddy County, New Mexico:

Lease: Dr. K 24 23S 27E RB Well No. 206H  
Description: N/2 Section 24, Township 23 South, Range 27 East, NMPM  
Well: Dr. K 24 23S 27E RB Well No. 206H

Lease: Dr. K 24 23S 27E RB Well No. 203H  
Description: S/2 Section 24, Township 23 South, Range 27 East, NMPM  
Well: Dr. K 24 23S 27E RB Well No. 203H

The combined project area for these wells include the entire Section 24, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico.

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Dr. K Central Tank Battery (CTB), located in Unit M, Section 24, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:


The oil and gas production from each of the diversely-owned leases shall be separately metered using allocation meters.

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

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

The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.

Done at Santa Fe, New Mexico, on April 27, 2016.

  
**DAVID R. CATANACH**  
Director

DRC/mam

cc: Oil Conservation Division – Artesia