

# NSL Initial Application

Received March 7, 2019

*This application is only placed in file. It MAY or MAY NOT have been  
reviewed to be determined Administratively Complete*

|                    |               |           |                        |
|--------------------|---------------|-----------|------------------------|
| RECEIVED: 03.07.19 | REVIEWER: LRL | TYPE: NSL | APP NO: pLEL1906746145 |
|--------------------|---------------|-----------|------------------------|

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:** Stebbins 19 Fed. No. 137H**API:** 30-015-44187**Pool:** Russell; Bone Spring**Pool Code:** 52805

**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**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**FOR OCD ONLY**☐ Notice Complete☐ Application  
Content  
Complete

**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.**

Kyle Perkins

Print or Type Name

March 7, 2019

Date

972-371-5202

Phone Number

kperkins@matadorresources.com

e-mail Address

Signature

# Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice 972.371.5202 • Fax 214.866.4802

[kperkins@matadorresources.com](mailto:kperkins@matadorresources.com)

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Kyle Perkins  
Operations and Regulatory Counsel

March 7, 2019

Mr. Leonard Lowe  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

**Re: Application of Matador Production Company for administrative approval of unorthodox well location for Stebbins 19 Fed No. 137H in the S/2 S/2 of Section 19, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico**  
**Stebbins 19 Fed No. 137H**

Dear Mr. Lowe,

Matador Production Company ("Matador") (OGRID No. 228937) seeks administrative approval of an unorthodox well location ("NSL") for its Stebbins 19 Fed No. 137H (API No. 30-015-44187 – previously named the Stebbins 19 Fed No. 134 but then name changed by sundry) to be completed in the Russell; Bone Spring (Pool Code 52805) underlying the S/2 S/2 of Section 19, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico (the "S/2 S/2 Spacing Unit"). The well is currently permitted such that the completed interval would be 220 feet from the north line of the S/2 S/2 Spacing Unit, but Matador is in the process of filing a sundry to move the completed interval to 50 feet from the north line of the S/2 S/2 Spacing Unit. A draft C-102 for this well reflecting the requested NSL is attached as **Exhibit A**. It will be a horizontal well and will be drilled as follows:

## **Stebbins 19 Fed No. 137H**

- Well's Surface Hole Location: 210 feet from the south line of the S/2 S/2 Spacing Unit and 140 feet from the east line of the S/2 S/2 Spacing Unit.
- Well's Bottom Hole Location: 50 feet from the north line of the S/2 S/2 Spacing Unit and 60 feet from the west line of the S/2 S/2 Spacing Unit.
- Well's Completed Interval: The well's completed interval will be located 50 feet from the north line of the S/2 S/2 Spacing Unit (the unorthodox aspect of the well). The first and last take points will comply with the 100-foot setback requirements for oil wells and be orthodox in that respect.

Matador requests this unorthodox location to efficiently produce its and the other working interest owners' interests in the south half of Section 19, to maximize the recovery of hydrocarbons from the south half of Section 19, and to prevent waste. Matador has forced pooled and is the designated operator of the Bone Spring formation in the S/2 S/2 Spacing Unit (*see* Order No. R-14433-A), as well as the N/2 S/2 of Section 19 (*see* Order No. R-14432-A). Based on its development plans for the south half of Section 19, Matador believes the proposed well location in this NSL application is the optimal spacing for this well to achieve the greatest recovery of the hydrocarbons present in the Bone Spring formation in the south half of Section 16, thus increasing overall recovery and preventing waste.

Matador's NSL application will not unfairly prejudice the rights of any working interest owners in the N/2 S/2 of Section 19. Matador is the designated operator under a JOA covering the entire south half of Section 19 that includes voluntary inclusion of more than 98% of the working interest in the south half of Section 19 under the JOA. As a result, more than 98% of the working interest has agreed to blend their working interest to be the same in the S/2 S/2 and N/2 S/2 of Section 19. With respect to the pooled parties not under JOA, the same sixteen working interest owners comprise the pooled working interest owners in both the S/2 S/2 and N/2 S/2 of Section 19. While their percentage interest varies slightly between the S/2 S/2 and N/2 S/2, the variance is *de minimus*, ranging from a .00001046% to .00277953% difference for various pooled working interest owners. In addition, because the pooled parties own a working interest in both the S/2 S/2 and N/2 S/2, Matador believes, should the pooled parties elect to participate in the wells, that they will likewise receive greater overall production and revenues from their interest in the south half of Section 19 based on this optimal spacing, regardless of any difference in working interest percentage.

Accordingly, Matador respectfully requests an exception to the 330 foot setbacks for oil wells measured perpendicularly from the outer boundary of the spacing unit found in NMAC 19.15.16.15(C)(1)(a), and requests approval of the NSL requested herein to locate the completed interval 50 feet from the north line of the S/2 S/2 Spacing Unit. As mentioned above, the first and last take points are at an orthodox location.

A map showing the surrounding ownership and the project area for the proposed subject well in relation to adjoining spacing units is attached as **Exhibit B**.

A list of the parties affected by this application is attached as **Exhibit C**. Each of these parties has been provided notice of this application by certified mail, return receipt requested, advising them that if they have an objection to the location of this well, it must be filed with the New Mexico Oil Conservation Division within 20 days of the mailing of the notice. As set forth on Exhibit C, a copy of this application has also been provided to the Bureau of Land Management.

I appreciate your attention to this matter.

Sincerely,



Kyle Perkins

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 Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Sante 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.  
Sante 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<br>30-015-44187 |  | <sup>2</sup> Pool Code<br>52805 | <sup>3</sup> Pool Name<br>Russell; Bone Spring |
| <sup>4</sup> Property Code<br>317744    | <sup>5</sup> Property Name<br>STEBBINS 19 FED            |                                 | <sup>6</sup> Well Number<br>137H               |
| <sup>7</sup> GRID No.<br>228937         | <sup>8</sup> Operator Name<br>MATADOR PRODUCTION COMPANY |                                 | <sup>9</sup> Elevation<br>3242'                |

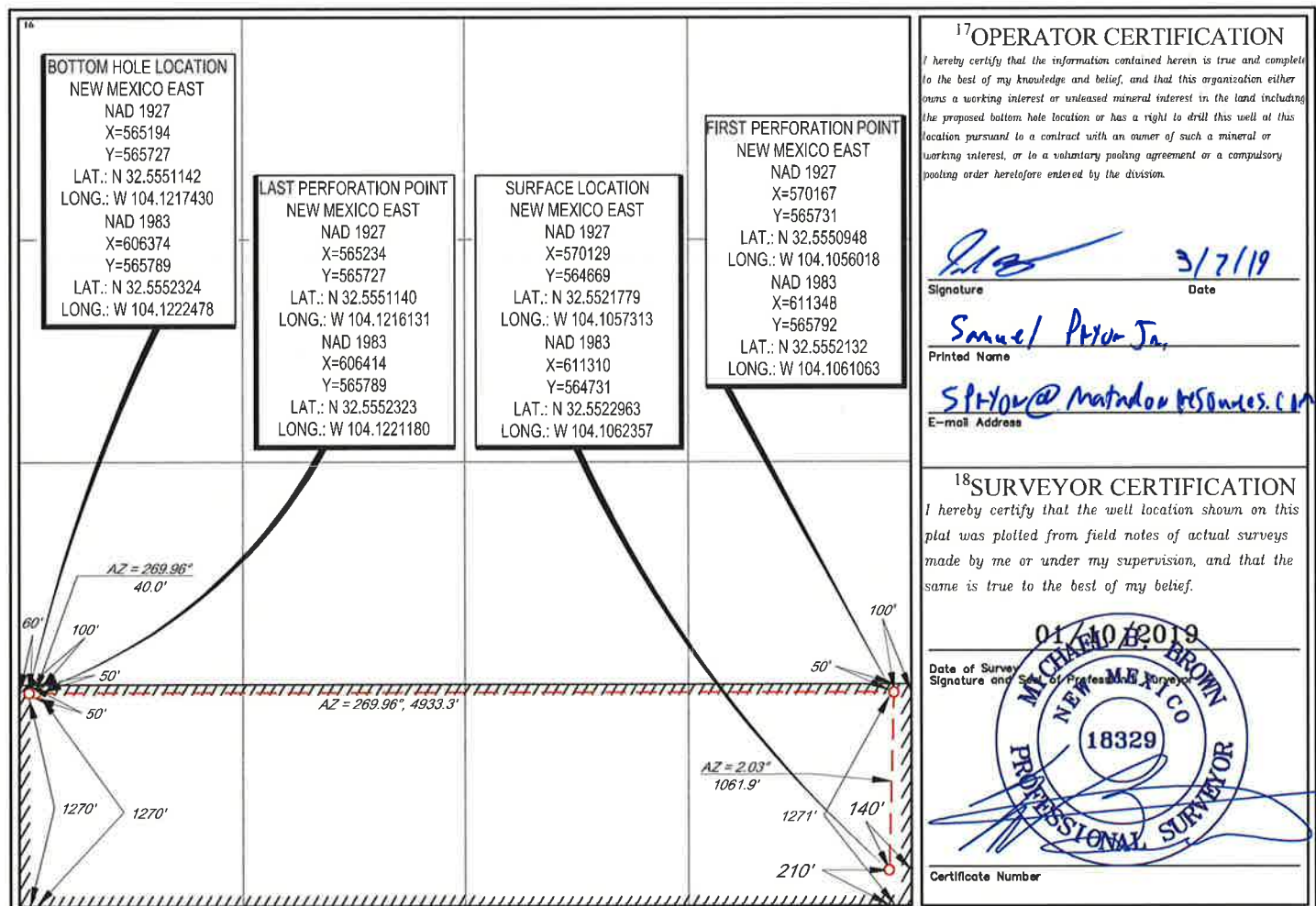
<sup>10</sup>Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P             | 19      | 20-S     | 29-E  | -       | 210'          | SOUTH            | 140'          | EAST           | EDDY   |

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 4             | 19      | 20-S     | 29-E  | -       | 1270'         | SOUTH            | 60'           | WEST           | EDDY   |

|   |                               |                                  |                         |
|---|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>155.83 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</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.

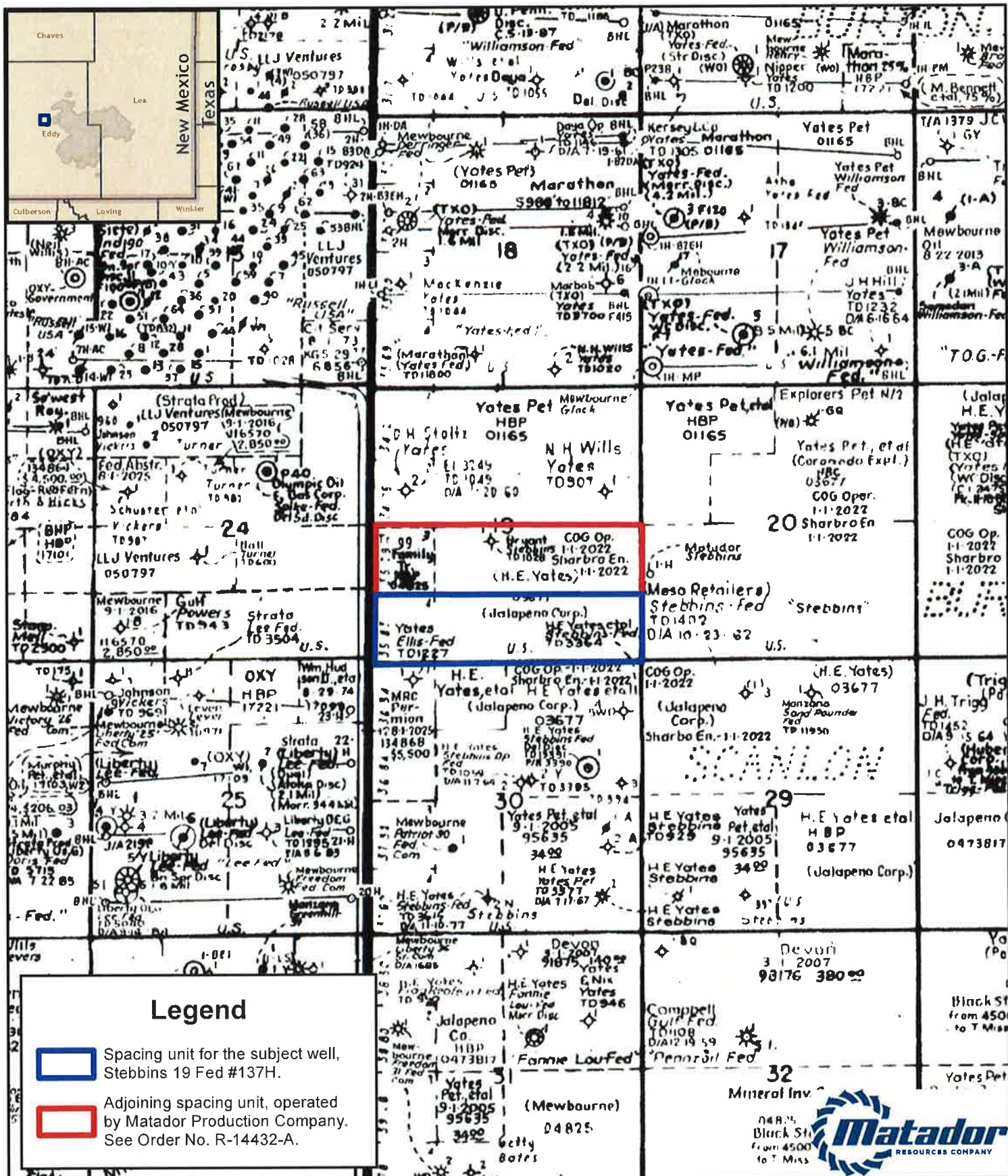


S:\SURVEY\MATADOR\_RESOURCES\STEBBINS\_FED\_19 & 20-205-29\FINAL\_PRODUCT\SILO\_STEBBINS\_19\_FED\_137H\_REV2\_OPT\_1.DWG 3/5/2019 4:05:34 PM adisabella

EXHIBIT A



19-20S-29E



**1:30,000**

**1 inch = 2,500 feet**

## Southeast New Mexico

Date: March 6, 2019  
Coordinate System: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet  
Projection: Transverse Mercator; Datum: North American 1983; Units: Foot US  
Sources: IHS; ESRI;

# EXHIBIT B

Date: March 6, 2019

o East FIPS 3001 Feet

Sources: IHS; ESRI;

SOURCES: HHS, EPA,

## **EXHIBIT C**

EOG Resources Assets LLC  
105 South Fourth Street  
Artesia, NM 88210

Erin L. Cofrin Revocable Trust  
43 Camino Arroyo Place  
Palm Desert, CA 92260

Marian Welch Pendergrass  
2705 Gaye Drive  
Roswell, NM 88201

Michael Irwin Welch  
8610 Kenosha Drive  
Lubbock, TX 79423

Pamela J. Burke, as Trustee of the Claire Ann Iverson Revocable Living Trust UTA dated  
November 22, 2005  
P. O. Box 10508  
Midland, TX 79702

Pamela J. Burke, as Trustee of the P.I.P. 1990 Trust  
P. O. Box 10508  
Midland, TX 79702

Pamela J. Burke, as Trustee of the Siegfried James Iverson, III Revocable Living Trust UTA  
dated November 18, 2005  
P. O. Box 10508  
Midland, TX 79702

Phoebe J. Welch, Trustee of the Phoebe J. Welch Trust dated July 27, 2006  
20350 Marsh Creek Rd  
Brentwood, CA 94513

Phoebe Welch  
1867 Karas Court  
Concord, CA 94521

## EXHIBIT C

Robert Welch Gillespie  
186 Sierra View  
Pasadena, CA 91105

Saunders Thomas Welch  
8610 Kenosha Drive  
Lubbock, TX 79423

Stacy Welch Green  
P. O. Box 164  
Sonoita, AZ 85637

T. I. G. Properties  
P. O. Box 10508  
Midland, TX 79702

Van P. Welch, Jr.  
2259 C Via Puerta  
Laguna Woods, CA 92653

Van S. Welch II  
2901 Wildwood Place  
Duncan, OK 73533

Wendell Terry Welch  
P. O. Box 8428  
Nikiski, AK 99635

Bureau of Land Management  
301 Dinosaur Trl  
Santa Fe, NM 87508

Amsler Young Priddy, Trustee, The Amsler Young Priddy IRR Trust  
3963 Maple Ave, Suite 450  
Dallas, TX 75219

Becky Welch Kitto  
P.O. Box 1482  
Sonoita, AZ 85637



## EXHIBIT C

Bryan W. Welch  
1764 S. Paige Creek Place  
Tucson, AZ 85748

Don Bell II  
2580 W Camp Wisdom Rd, Ste 100  
Grand Prairie, TX 75052

Don Bell III, Trustee, The 2012 DCB3 Southwestern IRR Trust  
3713 Southwestern Blvd.  
Dallas, TX 75225

Energex, LLC  
4425 98th Street Suite 200  
Lubbock, TX 79423

J&F Investments, LLC  
P. O. Box 2702  
Roswell, NM 88202-2702

James Gray Welch  
9307 Sam Rayburn CT  
Cypress, TX 77433

John A. Yates  
P.O. Box 100  
Artesia, NM 88211

Santo Legado LLC  
P.O. Box 1020  
Artesia, NM 82211

Sharbro Energy LLC  
P.O. Box 840  
Artesia, NM 82211

Tanna Energy Partners, LP  
5014 Bluebird Branch Court  
Midland, TX 79705

Yates Energy Corporation  
P. O. Box 2323  
Roswell, NM 88202

# Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice 972.371.5202 • Fax 214.866.4802

[kperkins@matadorresources.com](mailto:kperkins@matadorresources.com)

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Kyle Perkins  
Operations and Regulatory Counsel

March 7, 2019

## **VIA CERTIFIED MAIL/RRR**

### **TO AFFECTED PARTIES**

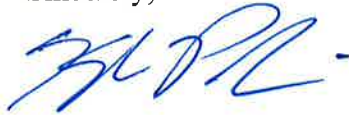
**Re: Application of Matador Production Company for administrative approval of unorthodox well location for Stebbins 19 Fed No. 137H in the S/2 S/2 of Section 19, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico  
Stebbins 19 Fed No. 137H**

Ladies and Gentlemen,

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please do not hesitate to give me a call.

Sincerely,



Kyle Perkins

## **Lowe, Leonard, EMNRD**

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**From:** Kyle Perkins <KPerkins@matadorresources.com>  
**Sent:** Thursday, March 7, 2019 11:06 AM  
**To:** Lowe, Leonard, EMNRD  
**Subject:** [EXT] Administrative NSL Application - Stebbins 19 Fed 137H  
**Attachments:** NSL Application - Stebbins 19 Fed 137H.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Mr. Lowe,

Attached for filing please find Matador's administrative application for an NSL related to its Stebbins 19 Fed No. 137H well (API No. 30-015-44187). If you would like any additional information, please let me know. I will be sending copies to the affected parties today.

Best regards,

Kyle Perkins  
Operations and Regulatory Counsel  
Matador Resources Company  
5400 LBJ Freeway, Suite 1500  
Dallas, TX 75240  
(972) 371-5202 (office)  
(214) 866-4802 (fax)  
[kperkins@matadorresources.com](mailto:kperkins@matadorresources.com)



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