

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - 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

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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.

GABRIELLE A. GERHOLT
 Print or Type Name

Gabrielle A Gerholt
 Signature

ATTORNEY
 Title
 gagerholt@hollandhart.com

10/3/14
 Date

 e-mail Address

- NSL 7180
 - Matedor Production Company
 228937
 well
 - GUITAR 10-245-285 RB
 #2024
 30-015-42660
 2014 OCT - 3 P 3:20
 RECEIVED OGD
 Pool
 - Culebra BL44P
 Wolfcamp, South
 75750



October 3, 2014

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

RECEIVED
2014 OCT - 3 11:01 AM

TO AFFECTED PARTIES

Re: Application of Matador Production Company for administrative approval of an unorthodox well location in the Culebra Bluff; Wolfcamp, South (Gas) Pool for its Guitar 10-24S-28E RB #202H well in Section 10, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

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 contact the following:

Clayton Sporich
Matador Resources Company
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240
(972) 371-5405
csporich@matadorresources.com

Sincerely,

Gabrielle A. Gerholt
ATTORNEY FOR MATADOR PRODUCTION COMPANY

October 3, 2014

VIA HAND DELIVERY

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

Re: Application of Matador Production Company for administrative approval of an unorthodox well location in the Culebra Bluff; Wolfcamp, South (Gas) Pool for its Guitar 10-24S-28E RB #202H well in Section 10, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Bailey:

Matador Production Company (OGRID No. 228937) seeks administrative approval of an unorthodox well location for its **Guitar 10-24S-28E RB #202H** (API 30-015-42660) well to be completed within the Culebra Bluff; Wolfcamp, South (Gas) Pool (Pool Code 75750). This well will be drilled from a surface location 1733 feet from the North line and 204 feet from the East line (Unit H) of Section 10, Township 24 South, Range 28 East. The first perforation point will be 2232 feet from the North line and 330 feet from the East line (Unit H) of Section 10. The last perforation point will be 2304 feet from the North line and 330 feet from the West line (Unit E) of Section 10.

Since this acreage is governed by the Statewide Rules for gas pools in Eddy County (19.15.15.10.B NMAC), which provides for wells to be located no closer than 660 feet to the outer boundary of the spacing unit, this well will be unorthodox because the completed interval will be closer than 660 feet to the East, Southeast, South, Southwest and West boundaries. This unorthodox well location is necessary in order to allow Matador to fully access the reservoir and avoid waste of the resource.

Enclosed as **Exhibit A** is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval for the **Guitar 10-24S-28E RB #202H** well encroaches on the spacing and proration units to the East, Southeast, South, Southwest and West.



Enclosed as **Exhibit B** is a land map depicting the proposed **Guitar 10-24S-28E RB #202H** well in relation to adjoining spacing units and further identifies the owners in the affected leases.

Enclosed as **Exhibit C** is a notice list of the parties affected by the encroachment to the East, Southeast, South, Southwest and West. A copy of this application with all attachments has been sent by certified mail to all parties advising them that if they have an objection it must be filed in writing with the division within 20 days from the date the division receives this application.

Your attention to this matter is appreciated.

Sincerely,

Gabrielle A. Gerholt
ATTORNEY FOR MATADOR PRODUCTION COMPANY

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, Artec, 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 30-015-42660	² Pool Code 75750	³ Pool Name Culebra Bluff; Wolfcamp, South (Gas)
⁴ Property Code	⁵ Property Name GUITAR 10-24S-28E RB	⁶ Well Number #202H
⁷ GRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 2993'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	10	24-S	28-E	-	1733'	NORTH	204'	EAST	EDDY

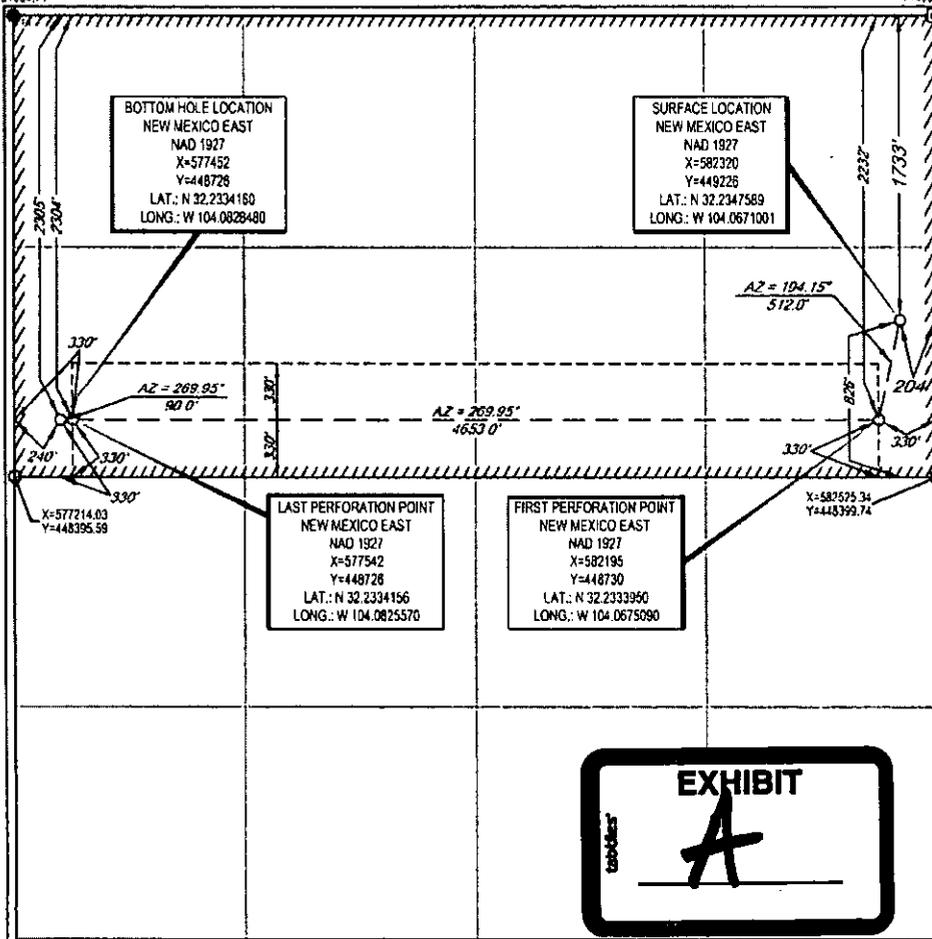
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	10	24-S	28-E	-	2305'	NORTH	240'	WEST	EDDY

¹¹ Dedicated Acres 320.00	¹² Joint or Infill	¹³ Consolidation Code	¹⁴ Order No. R-13667
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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.

X=577196.75
Y=451034.71

X=582521.59
Y=450956.69



¹⁷OPERATOR CERTIFICATION

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.

Signature: *Clayton Sporich* Date: 9/18/14

Printed Name: Clayton Sporich

E-mail Address: csporich@matadorresources.com

¹⁸SURVEYOR 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: 09/15/2014

Signature and Seal: MICHAEL BROWN, NEW MEXICO PROFESSIONAL SURVEYOR, 18329

Certificate Number: [Blank]





24S

thudgins

EXHIBIT
BI

Offset Well Information

Area of Interest:
Section 10 N2, T24S R28E
Eddy County, New Mexico

Sec. 9, T24S R28E

Lands HBP: All
Operator: Chevron Midcontinent, L.P.
500 West Illinois Avenue
Midland, Texas 79701
Labeled as "M" on Plat

Leases:

Lands: NW4NW4
Lessee: Matador Resources Co.
One Lincoln Centre
5400 LBJ Fwy #1500
Dallas, Texas 75240
Labeled as "A" on Plat

Lands: NW4SE4NE4
Lessee: J Bar Cane, Inc.
3660 Highway 41
Stanley, New Mexico 87056
Labeled as "B" on Plat

Lands: SW4NW4, E2NE4SW4, NE4NW4
Lessee: ConocoPhillips Company
P.O. Box 51810
Midland, TX 79710-1810
Labeled as "D" on Plat

Lands: NE4NE4NE4, W2SW4SW4SE4, NW4SE4NE4
Lessee: EOG Resources, Inc.
PO Box 2267
Midland, TX 79702
Labeled as "E" on Plat

Lands: SE4NW4, NW4NE4, NW4NE4NE4, S2NE4NE4, N2SW4NE4, E2SW4SW4NE4,
SE4SW4NE4, NE4SE4NE4, S2SENE, W2NWSE4, NW4NE4SE4, S2SW4NE4SE4,
E2NE4SE4, N2NE4SE4SE4, S2NW4SE4SE4, W2SE4SE4SE4, E2SW4SE4SE4,
SE4SW4SE4, E2SE4SW4, E2W2SE4SW4, E2SW4SW4, W2NW4SW4,
W2NE4NW4SW4, E2SE4NW4SW4, N2NE4SW4, SE4NE4SW4
Lessee: WPX Energy Production, LLC
One Williams Center
Tulsa, OK 74172
Labeled as "F" on Plat

Sec. 10, T24S, R28E

Lands HBP: S2
Operator: Kaiser-Francis Oil Co
P. O. Box 21486
Tulsa, OK 74121
Labeled as "G" on Plat



Sec. 11, T24S, R28E

Lands HBP: E2
Operator: Legend Natural Gas III LP
410 West Grand Pkwy S, Ste. 400
Katy, TX 77494
Labeled as "H" on Plat

Lands HBP: W2
Operator: Legend Natural Gas III LP
410 West Grand Pkwy S, Ste. 400
Katy, TX 77494
Labeled as "I" on Plat

Leases:

Lands: NE4NW4NW4, SW4NW4NW4
Lessee: OGX Resources
PO Box 2064
Midland, TX 79702
Labeled as "J" on Plat

Lands: SW4SW4, S2SE4NW4NW4, S2, NW4, SW4, All
Lessee: James H. Isbell
2820 Moss
Midland, TX 79702
Labeled as "K" on Plat

Lands: NE4SW4, N2NW4SW4, SW4NW4
Lessee: Nadel and Gussman Permian
601 Marienfeld Suite 508
Midland, TX 79701
Labeled as "L" on Plat

EXHIBIT C

Chevron Midcontinent, L.P.
500 West Illinois Avenue
Midland, Texas 79701

Kaiser-Francis Oil Co
P. O. Box 21486
Tulsa, OK 74121

Legend Natural Gas III LP
410 West Grand Pkwy S, Ste. 400
Katy, TX 77494

OGX Resources
PO Box 2064
Midland, TX 79702

James H. Isbell
2820 Moss
Midland, TX 79702

Nadel and Gussman Permian
601 Marienfeld Suite 508
Midland, TX 79701

J Bar Cane, Inc.
3660 Highway 41
Stanley, New Mexico 87056

ConocoPhillips Company
P.O. Box 51810
Midland, TX 79710-1810

EOG Resources, Inc.
PO Box 2267
Midland, TX 79702

WPX Energy Production, LLC
One Williams Center
Tulsa, OK 74172

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 14933
ORDER NO. R-13667

APPLICATION OF RSC RESOURCES LIMITED PARTNERSHIP FOR
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing on November 29, 2012, at 8:15 a.m. at Santa Fe, New Mexico, before Examiner Richard I. Ezeanyim.

NOW, on this 17th day of December, 2012, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and of the subject matter.

(2) RSC Resources Limited Partnership ("Applicant") seeks an order pooling all uncommitted interests from the surface to the base of the Wolfcamp formation underlying the following described acreage in Section 10, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico, and in the following manner:

(a) the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the undesignated South Culebra Bluff-Wolfcamp Gas Pool;

(b) the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and

(c) the NW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that

These Units are to be dedicated to the Guitar 10 Well No. 1 (API No. 30-015-23099), an existing well to be re-entered at a location 660 feet from the North line and 2310 feet from the East line of Section 14.

(3) Two or more separately owned tracts are embraced within the Units and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Units that are separately owned.

(4) Applicant is an oil and gas working interest within the Units, has the right to drill, and proposes to re-enter the well to a common source of supply within the Units at the above location.

(5) There are interest owners in the Units who have not agreed to pool their interests. In addition, there are interest owners who could not be located. Accordingly, establishment of escrow funds is necessary.

(6) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste, and afford to each interest owner the opportunity to recover or receive without unnecessary expense its just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas within the Units.

(7) Guardian Operating Corp. (OGRID No. 287300) should be designated the operator of the subject well and of the Units.

(8) Any pooled working interest owner who does not pay its share of estimated well costs should have withheld from production its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in re-entering the well.

(9) Reasonable charges for supervision (combined fixed rates) should be fixed at \$7000.00 per month while drilling and \$700.00 per month while producing, provided that these rates should be adjusted annually pursuant to Section III.1.A.3. of the COPAS form titled "*Accounting Procedure-Joint Operations.*"

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of RSC Resources Limited Partnership, all uncommitted interests in all formations from the surface to the base of the Wolfcamp formation underlying the N/2 of Section 10, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico, are hereby pooled and in the following manner:

and all formations or pools developed on 160-acre spacing within that vertical extent, including the undesignated South Culebra Bluff-Wolfcamp Gas Pool;

(b) the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and

(c) the NW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Malaga-Delaware Pool and Undesignated Malaga-Bone Spring Pool.

(2) These Units shall be dedicated to the Guitar 10 Well No. 1 (API No. 30-015-23099) to be re-entered at a location 660 feet from the North line and 2310 feet from the East line of Section 14.

(3) Guardian Operating Corp. (OGRID No. 287300) is hereby designated the operator of the subject well and of the Units.

(4) The operator of the Units shall commence re-entering the subject well on or before December 15, 2013 and shall thereafter continue drilling the well with due diligence to test the Wolfcamp formation.

(5) In the event the operator does not commence re-entering the well on or before December 15, 2013, Ordering Paragraph (1) shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause.

(6) Should the proposed well not be re-entered and completed within 120 days after commencement thereof, Ordering Paragraph (1) shall be of no further effect, and the Units created by this Order shall terminate unless the operator appears before the Division Director and obtains an extension of time to complete the well for good cause demonstrated by satisfactory evidence.

(7) Upon final plugging and abandonment of the well and any other well drilled on the Units pursuant to Rule 19. 15.19.13 NMAC Sections 9-11, the pooled Units created by this Order shall terminate, unless this order has been amended to authorize further operations.

(8) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Units, including unleased mineral interests, who are not parties to an operating agreement governing the Units established by this Order.)

(9) After the effective date of this Order, the operator shall furnish the Division and each known pooled working interest owner in the Units an itemized

(10) Within 30 days from the date the schedule of estimated well costs is furnished, any pooled working interest owner shall have the right to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided, and any such owner who pays its share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges. Pooled working interest owners who elect not to pay their share of estimated well costs as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(11) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs within 90 days following completion of the well. If no objection to the actual well costs is received by the Division, and the Division has not objected within 45 days following receipt of the schedule, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs after public notice and hearing.

(12) Within 60 days following determination of reasonable well costs, any pooled working interest owner who has paid its share of estimated costs in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid exceed its share of reasonable well costs.

(13) The operator is hereby authorized to withhold the following costs and charges from production:

- (a) the proportionate share of reasonable well costs attributable to each non-consenting working interest owner who has not paid its share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished; and
- (b) as a charge for the risk involved in re-entering the well, 200% of the above costs.

(14) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs.

(15) Reasonable charges for supervision (combined fixed rates) are hereby fixed at \$7000.00 per month while drilling and \$700.00 per month while producing, provided that these rates shall be adjusted annually pursuant to Section III.1.A.3. of the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production the proportionate share of both the supervision

are reasonable, attributable to pooled working interest owners.

(16) Except as provided in Paragraphs (13) and (15) above, all proceeds from production from the well that are not disbursed for any reason shall be placed in escrow in Eddy County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership. The operator shall notify the Division (Attention: Records Clerk) of the name and address of the escrow agent no later than one year from the date of issuance of this Order.

(17) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under this order. Any well costs or charges that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(18) Should all the parties to this compulsory pooling order reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(19) The operator of the well and the Units shall notify the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

(20) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "Jami Bailey".

JAMI BAILEY
Director

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
1080 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3482

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

PERMIT COMMENTS

Operator Name and Address: MATADOR PRODUCTION COMPANY [228937] One Lincoln Centre Dallas, TX 75240	API Number: 30-015-42660
	Well: GUITAR 10-24S-28E RB #202H

Created By	Comment	Comment Date
AMONROE	FORCED POOLING ORDER R-13667 APPROVED	9/19/2014
CSHAPARD	Land p/P	9/19/2014

McMillan, Michael, EMNRD

From: Gabrielle Gerholt <GAGerholt@hollandhart.com>
Sent: Friday, October 03, 2014 4:12 PM
To: McMillan, Michael, EMNRD
Subject: RE: Matador Production Co. Guitar 10-24S-28E notification

All affected parties in those sections were notified.

Gabrielle A Gerholt

Holland & Hart LLP
110 North Guadalupe Suite 1
Santa Fe, NM 87501
Phone (505) 988-4421
Fax (505) 983-6043
E-mail: gagerholt@hollandhart.com



CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this e-mail. Thank you.

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Friday, October 03, 2014 3:53 PM
To: Gabrielle Gerholt
Subject: Matador Production Co. Guitar 10-24S-28E notification

Ms. Gerholt:

I am no clear of who was notified. It appears to me that the S/2 Sec. 10 plus the entire Section 9 and Section 11 must be notified.

Is it correct that all affected parties in those sections were notified?

Thank You

Michael A. McMillan

Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Dr., Santa Fe NM 87505
O: 505.476.3448 F. 505.476.3462

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



August 27, 2014

Jonathan Filbert
MRC Permian Company
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Re: Request for extension to complete the Recompletion Operations on MRC Permian Company's Guitar 10 Well No. 1 (API No. 30-015-23099), Pursuant to Division Order No. R-13667

Dear Mr. Filbert:

The Oil Conservation Division (OCD) received your letter dated August 14, 2014, regarding the referenced subject on August 20, 2014. It is our understanding that RSC Resources, L.P. sold its assets including the Guitar 10 Well No. 1 to MRC Permian Company. It is also our understanding that MRC Permian Company is awaiting approval for change of operator to be granted by the Oil Conservation Division (OCD), and there are further delays in the sale of the assets. There is also currently no pipeline tie-in before proceeding with the rest of the completion operations.

The OCD has reviewed your request and hereby extends the date to complete the recompletion operations of Guitar 10 Well No. 1 to December 1, 2015.

If you have any question, please contact Richard Ezeanyim at (505)-476-3467

Sincerely;

A handwritten signature in black ink, appearing to read "Jami Bailey".

Jami Bailey
Director

JB/re

Cc: Oil Conservation Division District II – Artesia

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5275 • Fax 214.866.4875
jfilbert@matadorresources.com

Jonathan Filbert
Senior Staff Landman

August 14, 2014

RECEIVED OGD
2014 AUG 20 A 9:11

VIA CERTIFIED AND ELECTRONIC MAIL

New Mexico Oil Conservation Division
Attn: Examiner Richard I. Ezeanyim
1220 South St. Francis Dr.
Santa Fe, NM 87505

**RE: Request for Extended Time to Finish Completing the well under NMOCD
Pooling Order No. 13667
Guitar 10 No.1
660' FNL & 2310' FEL
Sec 10-24S-28E: N2 Spacing Unit
Eddy County, NM**

Gentlemen,

On April 4, 2014, the NMOCD granted RSC Resources/Guarding Operating an extensions to finish its recompletion operations by September 1, 2014 for the above reference well. Subsequently, RSC Resources/Guarding Operation closed the sale of assets, including the Guitar 10 No.1 well, and assigned to MRC Permian Company/Matador Production. Matador is currently awaiting approval for the change of operator to be granted by the NMOCD before we commence final completion of this well. Matador requests an extension to December 1, 2015 to finish completion operations due to further delays in the sale of the asset and change of operating rights.

Order No. R-13667 pooling the uncommitted interests on the above referenced well. RSC Resources, L.P. had requested and received an extension of time to comply with paragraph (5), which requires the well be drilled *and completed* within 120 days of commencement. RSC received an extension to September 1, 2014 to finish completion operations due to further delays on tie-in to gas pipeline.

The Guitar 10 No. 1 was successfully re-entered and the Wolfcamp perforated and acidized. The well flowed gas and has been shut in waiting on gas pipeline tie-in since 8/2/2013. In order to effect an optimum completion, Matador Production Company still plans to fracture stimulate the existing perforated zone, perforate and fracture stimulate another Wolfcamp interval, and build production facilities. The well must have a pipeline tie-in before proceeding with the rest of the completion.

Matador believes it should have the tie-in by and can finish completion operations by December 1, 2015. At that time Matador would submit the itemized schedule of actual costs as required by paragraph (9) of the Order.

Please contact the undersigned with any questions.

Best Regards,

MRC PERMIAN COMPANY

A handwritten signature in black ink, appearing to read 'Jonathan Filbert', written over a horizontal line.

Jonathan Filbert

