

PNRM0219754898

Order Number

DI 0003

API Number

30-025-34975

Operator

Matador Operating Company

County

Lea

Order Date

7-31-00

Well Name

Laughlin

Number

001

Location

N

UL

4

Sec

203

T (+Dir)

37E

R (+Dir)

Oil %

49%

Gas %

49%

Pool 1

47090

Monument Tubb

Pool 2

57000

Skaggs Drinkard

Pool 3

Pool 4

Comments:

Work completed effective 7-31-00
Work cancelled effective _____
Supplement 1338N 12-12-2000

8-28-02
Posted to
RBDYM & B

Posted
B

OIL CONSERVATION DIVISION
Hobbs, New Mexico 88241

DISTRICT OFFICE

July Thru
December, 2000

No. 1338N

SUPPLEMENT TO THE OIL PRORATION SCHEDULE

DATE: 12/12/2000

PURPOSE: ALLOWABLE ASSIGNMENT (NEW WELL) (A-M)

Effective 07/31/2000, the marginal allowables of the

MATADOR OPERATING CO,
LAUGHLIN, 1 - N, 4-20-37,

well for the period covering July through December, 2000,
are hereby assigned in the various pools as follows:

MONUMENT;TUBB----- #M137
SKAGGS;DRINKARD----- #M142
(P-P)
DI-0003

OIL CONSERVATION DIVISION

Chris Williams

DISTRICT SUPERVISOR

CW:nm
MATADOR OPERATING CO

SRM 21778

GPM 9171

Matador Oper. Co. Laughlin 1-N 4-20-37

(49) Monument Subb 222 / 2220 / 10000

(51) Skaggs Drinkad 142 / 1420 / 10000

364

② Mon. Subb 49%

Skaggs Dr.

$$51\% \times 364 = 185.64$$

$$③ 142 \div 51\% = 278.44$$

$$④ 279 \times 51\% = 142.29 / 142$$

$$⑤ 279 \times 49\% = 136.71 / 137$$

Mon. Subb AMON 55000
Sk. Dr. ASKA 50000

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

WELL API NO. 30-025-34975
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. 25471
7. Lease Name or Unit Agreement Name: Laughlin
8. Well No. 1
9. Pool name or Wildcat Monument Tubb & Skaggs Drinkard
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3555 GR

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
 Matador Operating Company

3. Address of Operator
 310 W. Wall, Ste 906 Midland, TX 79701

4. Well Location
 Unit Letter N : 330 feet from the South line and 1830 feet from the West line
 Section 4 Township 20S Range 37E NMPM Lea County

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input checked="" type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: <input type="checkbox"/>

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

See attachment - requesting downhole commingling approval.

PNRMO219754898

I DHC Order No. 0003

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

SIGNATURE Russ Mathis TITLE Production Manager DATE 10/19/00

Type or print name Russ Mathis Telephone No: 915-687-5955
 (This space for State use)

APPROVED BY Chris Williams TITLE DISTRICT 1 SUPERVISOR DATE NOV 21 2000

Conditions of approval, if any:

MATADOR PETROLEUM CORPORATION

310 W. Wall, Ste. 906
Midland, TX 79701
(915) 687-5955
Fax (915) 687-4809

Russ Mathis
Production Manager

Writer's Direct Line
(915) 687-5968

October 16, 2000

VIA FACSIMILE 505-393-0720

Mr. Chris Williams
New Mexico Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

Re: Approval for Downhole Commingling
of Laughlin #1 well
S/2SW Section 4, T-20-S, R-37-E
Lea County, New Mexico

Dear Chris:

Pursuant to **Division Order No. R-11363**, Matador E & P Company ("Matador") hereby requests your approval to commingle production from the recently completed Laughlin #1 well. We desire to downhole commingle production from the **Monument Tubb Pool 47090** and **Skaggs Drinkard Pool 57000**. The perforated interval for the Tubb formation is 6434' to 6491' and the perforated interval for the Drinkard formation is 6545 to 6570.

The average rate for the Drinkard formation during 11 days of swabbing was 25 BOPD and estimated 71 MCFD. The swab rate for the Tubb was 24 BOPD and estimated 68 MCFD. The final stabilized rate for the commingled Tubb Drinkard was 72 BOPD and 205 MCFD.

We propose that 51% (25/49) of the production be allocated to the Drinkard formation and 49% allocated to the Tubb Formation.

We believe that commingling will not reduce the value of the total remaining production. My understanding is that since ownership and percentage of ownership between the two pools is common, notice to interest owners is not required. Additionally, since the spacing unit is comprised of fee lands, we have not sent the Division Form C-103 to the Commissioner of Public Lands for the State of New Mexico or Sundry Notice Form 3160-5 to the Bureau of Land Management.

Matador Petroleum Corp.
Daily Completion/Workover Report

Laughlin #1
Lea Co., NM

30-025-34975
Trade agreement: 1026308

- 7-23-00 Open to tank over night. No fluid. Continue swab. FL 2st run @ 1300'. Rec 160 bbl. FL varies from 500' to 2100'. FL 130' & scattered at end of day. Oil cut 15-20% w/ good gas show between runs, also unloads some fluid. Leave open to tank. Total fluid recovered: 350 bbls, 816 BLLTR.
- 7-24-00 Open to tank overnight. No fluid. Continue swab. FL 1st run @ 1300'. Make 3 swab runs, well flows 80 mins. Continue swab w/ well flowing between runs. Oil cut 5-20%. FL scattered 700'-600'. Pour rope socket. Rec 121 bbl. Leave open to tank. Total fluid rec 480 bbls. BLTTR 695 bbls.
- 7-25-00 Open to tank over night. No fluid. Slight gas blow to tank before swab. Continue swab. FL 1st run @ 1300'. Make one swab run, well flows 65 minutes. Continue swab w/ well flowing up to 90 minutes between runs. Oil cut 10-25%. FL scattered 600'-SN. Rec 136 bbls. Total fluid recovered: 616 bbl. Fluid to recover 559 bbls. SDON.
- 7/26/00 Open to tank over night. 3 bbl fluid. Slight gas blow to tank before swab. Continue swab. FL 1st run @ 1600'. Make one swab run, well flows 100 minutes. Continue swab w/ well flowing up to 90 minutes between runs. Oil cut 15-30%. FL scattered 600' - SN. Recover 116 bbls. Total fluid recovered 732 bbls. Fluid to recover 443 bbls. SDON.
- 7-27-00 Open to tank over night. 5 bbl fluid. Slight gas blow to tank before swab. Continue swab. FL 1st run @ 1600'. Make one swab run, well flows 120 minutes. Continue swab w/ well flowing up to 90 minutes between runs. Oil cut 20-30%. FL scattered 600' - SN. Rec 93 bbls. LWOTT. SDON. Total fluid recovered 855 bbls (671 BW + 184 BO). Fluid to recover 504 bbls. Note: 184 bbls oil in frac tank. SDON.
- 7/28/00 Open to tank over night. 0 BF. Slight gas blow to tank before swab. Continue swab. FL 1st run @ 1800'. Make 1 swab run, well flows 17 BO before gas @ surface. Put well on line. Will evaluate 7/31/00. Total fluid rec 872 bbls (621 BW + 201 BO). Fluid to recover 504 bbls. SDON.
- 7-31-00 On line over week end. No production. Kill tbg w/ 30 bbl 2% KCL (on vac), ND tree. NU BOP. Rls pkr. TOH w/ tbg & pkr. PU & TIH w/ retrieving tool & tbg. Tag sand @ 6460'. Circ sand out w/ 2% KCL to pit. Latch onto RBP @ 6520'. Rls same & TOH w/ 16 stds tbg. SWI. SDON. Note: Delay due to wrong ring gasket sent w/ stripper head (2 hr).
- 8-1-00 Complete TOH w/ tbg & tools. TIH w/ 8' tbg sub, SN, 7 jts tbg, TAC, 195 jts tbg. Tag sand @ 6529'. RU Key kill truck. Circ out sand w/ 2% KCL. (380 bbls) Pumping 4 BPM @ up to 900 psi. Clean out sand to PBSD @ 6795'. Pull 3 stands tbg, wait 1 hr. TIH to PBSD, no fill. RD kill truck. LD 6 jts tbg. ND BOP. Set TAC w/ 14 pts tension. NU wellhead. SWI. Gilberts roustabout tie in flow line to pumping tee, remove gate valves from csg spool, replace w/ XX nipples & 3K ball valves. SDON.
- 8-2-00 RU swab. TIH w/ same. FL 1st run @ 900'. Rec 141 BW. Gas show between runs, 20% oil cut. FL @ end of day 2000'. Leave open to tank. RD Basic.