

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

Carlsbad Field
OCD Hobbs
HOBBS OCD

Lease Serial No. 3
NMM40450

Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No.

CHEVRON 12 FEDERAL 1

2. Name of Operator

MATADOR PRODUCTION COMPANY

Contact: TAMMY R LINK

Email: tlink@matadorresources.com

9. API Well No.

30-025-29747

3a. Address

5400 LBJ FREEWAY, SUITE 1500
DALLAS, TX 75240

3b. Phone No. (include area code)

Ph: 575-623-6601 Ext: 2465

10. Field and Pool or Exploratory Area

YOUNG; BONE SPRING NORTH

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 12 T18S R32E Mer NMP NENW 330FNL 1980FWL

11. County or Parish, State

LEA COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

BLM Bond No. NMB0001079
Surety Bond No. RLB0015172

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Intent to Squeeze Perfs:

- MIRU.
- POOH w/rods, pump, tubing and packer.
- RIH w/CIBP and set @ 8,562'.
- RIH w/cement retainer, set @ 8,393' (50' above lower perforation interval) and squeeze perfs from 8,443'-8,468'. POOH.
- RIH w/second cement retainer, set @ 8,103' (50' above upper perforation interval) and squeeze perfs from 8,153.5'-8,186.5'. POOH.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #392552 verified by the BLM Well Information System
For MATADOR PRODUCTION COMPANY, sent to the Hobbs
Committed to AFSS for processing by MUSTAFA HAQUE on 10/31/2017 ()

Name (Printed/Typed) TAMMY R LINK

Title PRODUCTION ANALYST

Signature (Electronic Submission)

Date 10/19/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By Mustafa Haque

Title Engineer

Date 10-31-2017

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

APPROVED
OCT 31
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

(Instructions on page 2)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

KR

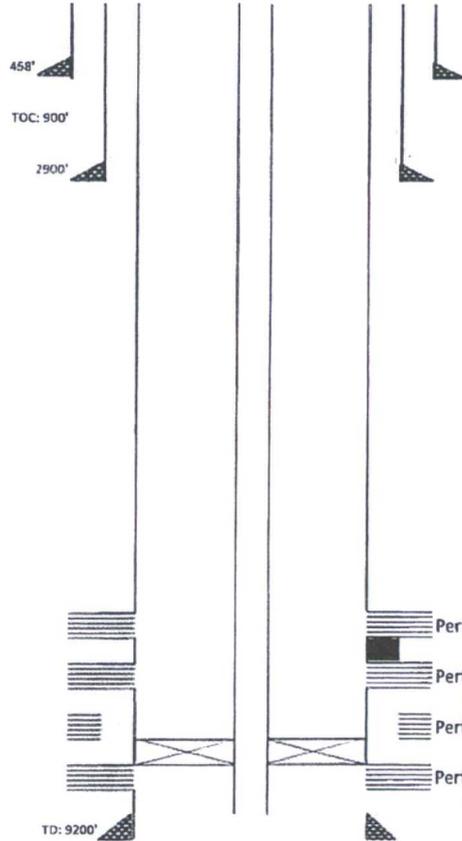
Additional data for EC transaction #392552 that would not fit on the form

32. Additional remarks, continued

- 6. RU WRH Standard 2.5 swivel package. RIH w/tubing and bit.
- 7. Tag top of cement retainer @ 8,393' and start drilling through retainers, cement and set CIBP to 8,565'. POOH.
- 8. RIH w/tbg, circulate clean wellbore, set TAC. RIH w/pump and rods. Put well back online, producing from perms at 9,008'-9,014'.

See Attached Current and Proposed Wellbore Diagrams.

MATADOR PRODUCTION COMPANY
Chevron 12 Fed. #1
330' FNL & 1980' FWL Sec 12 - 18S - 32E
Lea County, NM
API: 30-025-29747
CURRENT WELLBORE SCHEMATIC
Spudded: 8/25/1986



Casing Information							
	Hole Size	Casing Size	Type	Weight lb/ft	Joints	Depth Set	Date Set
Surface	17 1/2	13 3/8	J-55	54.5	12	458	Aug-86
Intermediate	unk.	8 5/8	ukn.	24 & 28	67	2,900	Aug-86
Production	7 7/8	5 1/2	J-55 (LT/C)	17	219	9,200	Sep-86

1x5.5" jt of N80, unknown where in string

Cementing Record			Date Run
Surface	450 sks CI "C" (Circulated)		Aug-86
Immediate	1150 sks "Howco Lite" & 200 sks CI "C" (Circulated)		Aug-86
Production	1Stg: 150 sks Howco Lite, 400 sks CI H, 2 Stg: 1300 Sks Howco Lite, 200 sk CI H		Sep-86
DV Tool:		7,217	Marker Jt: 5,006

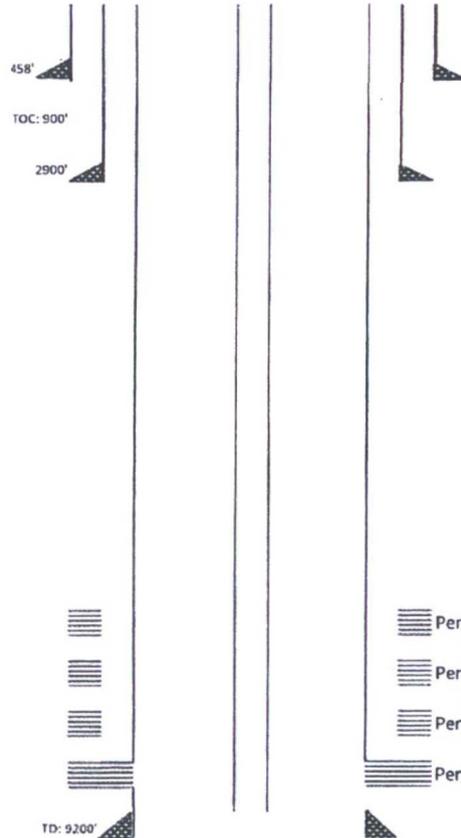
Geologic Markers	
Rustler	1342
Yates	2836
7 Rivers	3270
Queen	4036
Penrose	4308
Grayburg	4615
Premier	5119
San Andres	5335
Bone Spring Lime	6428
1st Bone Spring Sand	8028
2nd Bone Spring Carb	8249
2nd Bone Spring Sand	8746
3rd Bone Spring Carb	9115
TD	9256

Tubing String:
 270 jts 2 3/8" J55 4# to 8,641' *Flange at wellhead, no tbq hanger
 on/off tool 2.312"x Profile Nipple to 8,643'
 460 Hornet Packer Mech Bottom X-Over@ 8,652'
 12 jts 2 3/8" J55 4# tbq to 9,155'
 Seat Nipple @ 9,034'
 Sand Screen to 9,058'
 3 jts 2 3/8" J55 4# to 9,155'
 Bull Plug (EOT) @ 9,156'
 *Hornet Packer set with 10K tension

Rod String:
 1-1/4" w/ 1-1/2" Polished Rod Liner
 4' Pony
 96-7/8" rods
 231-3/4" rods
 32-7/8" rods
 on/off tool
 HR pump-20-125-RHBC-7-6-9-4 VSP
 12"x1" Gas Anchor

Perfs: 8153, 56, 60, 69, 80, 83, 86', 1 spf, 4/22/2000
 frac: 30k gal w/ 37.3 klbs 20/40 Econoprop
 Perfs: 8443-68', 2 spf; 9/23/1986
 acidize: 3000 gal 20%
 Perfs: 8617-28', 2 spf; 3000 gal 20%, 9/19/1986
 Squeezed 9/23/86
 Perfs: 9,008-9,014', 2spf
 frac: 125k lbs sand w/ 2056 bbls fluid

MATADOR PRODUCTION COMPANY
 Chevron 12 Fed. #1
 330' FNL & 1980' FWL Sec 12 - 18S - 32E
 Lea County, NM
 API: 30-025-29747
PROPOSED WELLBORE SCHEMATIC
 Spudded: 8/25/1986



Casing Information							
	Hole Size	Casing Size	Type	Weight lb/ft	Joints	Depth Set	Date Set
Surface	17 1/2	13 3/8	J-55	54.5	12	458	Aug-86
Intermediate	unk.	8 5/8	unk.	24 & 28	67	2,900	Aug-86
Production	7 7/8	5 1/2	J-55 (LT/C)	17	219	9,200	Sep-86

1x5.5" jt of N80, unknown where in string

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Production	1Stg: 150 sks Howco Lite, 400 sks CI H, 2 Stg: 1300 Sks Howco Lite, 200 sk CI H		Sep-86
DV Tool:			7,217
Marker Jt:			5,006

Geologic Markers	
Rustler	1342
Yates	2836
7 Rivers	3270
Queen	4036
Penrose	4308
Grayburg	4615
Premier	5119
San Andres	5335
Bone Spring Lime	6428
1st Bone Spring Sand	8028
2nd Bone Spring Carb	8249
2nd Bone Spring Sand	8746
3rd Bone Spring Carb	9115
TD	9256

Perfs: 8153-56, 60, 69, 80, 83, 86', 1 spf, 4/22/2000 **(SQUEEZED)**
 frac: 30k gal w/ 37.3 klbs 20/40 Econoprop

Perfs: 8443-68', 2 spf; 9/23/1986 **(SQUEEZED)**
 acidize: 3000 gal 20%

Perfs: 8617-28', 2 spf; 3000 gal 20%, 9/19/1986
 Squeezed 9/23/86

Perfs: 9,008-9,014', 2spf, 3/3/2017
 frac: 125k lbs sand w/ 2056 bbls fluid

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Production Zone Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plug back operations shall commence within **ninety (90)** days from this approval. **If you are unable to plug back the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.**
 2. **Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822. For wells in Lea County, call 575-393-3612**
 3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.
 4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.
 5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.
In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement.
Before pumping cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.
- Unless otherwise specified in the approved procedure, the cement plug shall consist of either **Neat Class "C"**, for up to 7,500 feet of depth or **Neat Class "H"**, for deeper than 7,500 feet plugs.
6. **Subsequent Plug back Reporting:** Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date work was completed.** If plugging back to a new zone submit a Completion Report, form 3160-4 with the Subsequent Report.
 7. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Chevron 12 Fed 1
30-025-29747
Matador Production Company
Conditions of Approval

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise. Exceptions to these restrictions may be granted by BLM's Cassandra Brooks <crbrooks@blm.gov> 575.234.2232

Notify BLM at 575-361-2822 (Eddy County) or 575-393-3612 (Lea County) a minimum of 24 hours prior to commencing work.

Work to be completed by January 31, 2018.

1. Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM. The CIT is to be performed on the production casing to max treating pressure. Notify BLM if test fails.
2. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
3. Surface disturbance beyond the originally approved pad must have prior approval.
4. Closed loop system required.
5. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

6. Operator to have H2S monitoring equipment on location.
7. A minimum of a 2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
8. **Subsequent sundry required detailing work done, a C-102 form, and completion report for the new formations. Operator to include well bore schematic of current well condition when work is complete.**
9. **See attached for General Plugback Guidelines**

MHH 10312017