State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description
Effective May 25, 2021

I. Operator: Matador Production Company **OGRID:** 228937 **Date:** 11-16-22

II. Type: ☐Original ☒ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☒ Other.

If Other, please describe: certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
Dee Osbourne 1930 State Com #121H	TBD	UL-1 Sec 19 T21S R35E	150' FNL 1,140' FWL	900	1,100	1,500
Dee Osbourne 1930 State Com #122H	TBD	UL-1 Sec 19 T21S R35E	180' FNL 1,140' FWL	900	1,100	1,500
Dee Osbourne 1930 State Com #123H	TBD	UL-A Sec 19 T21S R35E	240' FNL 1,100' FEL	900	1,100	1,500
Dee Osbourne 1930 State Com #124H	TBD	UL-A Sec 19 T21S R35E	270' FNL 1,100' FEL	900	1,100	1,500

IV. Central Delivery Point Name: Dee Osbourne TB [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
Dee Osbourne 1930 State Com #121H	TBD	6/6/2022	7/6/2022	9/27/2022	12/1/2022	12/1/2022
Dee Osbourne 1930 State Com #122H	TBD	7/14/2022	8/14/2022	9/27/2022	12/1/2022	12/1/2022
Dee Osbourne 1930 State Com #123H	TBD	8/07/2022	9/07/2022	9/27/2022	12/1/2022	12/1/2022
Dee Osbourne 1930 State Com #124H	TBD	8/22/2022	9/22/2022	9/27/2022	12/1/2022	12/1/2022

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan
EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☒ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐does ☐does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:
☒Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. ***If Operator checks this box, Operator will select one of the following:***

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- **(a)** power generation on lease;
- **(b)** power generation for grid;
- **(c)** compression on lease;
- **(d)** liquids removal on lease;
- **(e)** reinjection for underground storage;
- **(f)** reinjection for temporary storage;
- **(g)** reinjection for enhanced oil recovery;
- **(h)** fuel cell production; and
- **(i)** other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:
Printed Name: Ryan Hernandez
Title: Production Engineer
E-mail Address: rhernandez@matadorresources.com
Date: 11-16-22
Phone: (972) 619-1276
OIL CONSERVATION DIVISION **(Only applicable when submitted as a standalone form)**
Approved By:
Title:
Approval Date:
Conditions of Approval:

Addendum to Natural Gas Management Plan for Matador's

Dee Osbourne 1930 State Com #121H #122H #123H #124H

VI. Separation Equipment

Flow from each well will be routed via a flowline to a 48"x15' three phase separator dedicated to the well. The first stage separators are sized with input from BRE ProMax and API 12J. Expected production from each well is approximately 1,100 mcfd, 900 bopd, and 1,500 bwpd. Liquid retention times at expected maximum rates will be >3 minutes. Gas will be routed from the first stage separator to sales. Hydrocarbon liquids are dumped from the first stage separator and commingled to one or more heater treaters. The flash gas from the heater treater(s) could either be sent to sales or routed to a compressor if the sales line pressure is higher than the MAWP of the heater treater (125 psi). From the heater treaters, hydrocarbon liquid will be routed to the tanks where vapor is compressed by a VRU if technically feasible to either sales or a compressor if the sales line pressure is higher than the VRU's maximum discharge pressure (~150 psi). Therefore, Matador has sized our separation equipment to optimize gas capture and our separation equipment is of sufficient size to handle the expected volumes of gas.

VII. Operation Practices

Although not a complete recitation of all our efforts to comply with a subsection A through F of 19.15.27.8 NMAC, a summary is as follows. During drilling, Matador will have a properly sized flare stack at least 100 feet from the nearest surface hole. During initial flowback we will route the flowback fluids into completion or storage tanks and, to the extent possible, flare rather than vent any gas. We will commence operation of a separator as soon as technically feasible, and have instructed our team that we want to connect the gas to sales as soon as possible but not later than 30 days after initial flowback.

Regarding production operations, we have designed our production facilities to be compliant with the requirements of Part E of 19.15.27.8 NMAC. We will instruct our team to perform the AVOs on the frequency required under the rules. While the well is producing, we will take steps to minimize flaring during maintenance, as set forth below, and we have a process in place for the measuring of any flared gas and the reporting of any reportable flaring events.

VII. Best Management Practices

Steps are taken to minimize venting during active or planned maintenance when technically feasible including:

- Isolating the affected component and reducing pressure through process piping
- Blowing down the equipment being maintained to a control device
- Performing preventative maintenance and minimizing the duration of maintenance activities
- Shutting in sources of supply as possible
- Other steps that are available depending on the maintenance being performed

Addendum to Natural Gas Management Plan for Matador's

Dee Osbourne 1930 State Com #121H #122H #123H #124H

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IV. Central Delivery Point Name: Dee Osbourne TB [See 19.15.27.9(D)(1) NMAC]

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EFFECTIVE APRIL 1, 2022

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IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐does ☐does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

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Effective May 25, 2021

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Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- **(a)** power generation on lease;
- **(b)** power generation for grid;
- **(c)** compression on lease;
- **(d)** liquids removal on lease;
- **(e)** reinjection for underground storage;
- **(f)** reinjection for temporary storage;
- **(g)** reinjection for enhanced oil recovery;
- **(h)** fuel cell production; and
- **(i)** other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:
Printed Name: Ryan Hernandez
Title: Production Engineer
E-mail Address: rhernandez@matadorresources.com
Date: 11-16-22
Phone: (972) 619-1276
OIL CONSERVATION DIVISION **(Only applicable when submitted as a standalone form)**
Approved By:
Title:
Approval Date:
Conditions of Approval:

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
https://www.emnrd.nm.gov/ocd/contact-us

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

QUESTIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 159410
	Action Type: [UF-NGMP] NG Management Plan (NGMP)

QUESTIONS

II. Type:	
Original	*Not answered.*
Amendment due to 19.15.27.9.D(6)(a) NMAC	True
Amendment due to 19.15.27.9.D(6)(b) NMAC	*Not answered.*
Other	*Not answered.*
If other, please describe	*Not answered.*

III. Well(s)	
Number of wells identified above	1

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

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Energy, Minerals and Natural Resources
Oil Conservation Division
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Santa Fe, NM 87505

CONDITIONS

Action 159410

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 159410
	Action Type: [UF-NGMP] NG Management Plan (NGMP)

CONDITIONS

Created By	Condition	Condition Date
andrew.fordyce	None	3/31/2025