

# Initial Application Part I

Received: 09/09/2019

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

FRB5M-190909-C-107B 611

Revised March 23, 2017

RECEIVED: 9/9/19	REVIEWER:	TYPE: PLC	APP NO: pLEL1927534271
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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

<b>Applicant:</b> Matador Production Company	<b>OGRID Number:</b> 228937
<b>Well Name:</b> Florence State 1H well, et al.	<b>API:</b> 30-015-41841
<b>Pool:</b> Antelope Ridge; Bone Spring West; WC-025 G-06 S233423N; Wolfcamp	<b>Pool Code:</b> 2209; 98242

**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 holders  
 B. ☒ Royalty, overriding royalty owners, revenue owners  
 C. ☐ Application requires published notice  
 D. ☒ Notification and/or concurrent approval by SLO  
 E. ☐ Notification and/or concurrent approval by BLM  
 F. ☐ Surface owner  
 G. ☒ 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.**

Kaitlyn A. Luck

Print or Type Name

Signature

09/09/19

Date

505-954-7286

Phone Number

KALuck@hollandhart.com

e-mail Address



September 9, 2019

**VIA ONLINE FILING**

Adrienne Sandoval  
Director, 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 to authorize pool commingling, off-lease storage, off lease measurement, and off-lease marketing at the Florence Tank Battery located in the SE/4 SW/4 (Unit N) of Section 23, Township 23 South, Range 34 East, NMPM, Eddy County, New Mexico.**

Dear Ms. Sandoval:

Pursuant to 19.15.12.7 NMAC, individual spacing units are considered separate “leases” for surface commingling purposes. Accordingly, Matador Production Company (OGRID No. 228937) seeks administrative approval for pool commingling, off-lease storage, off-lease measurement, and off-lease marketing at the Florence Tank Battery of production from the Antelope Ridge; Bone Spring, West (2209); and the WC-025 G-06 S233423N; Wolfcamp (98242) pools from *all existing and future wells drilled in the following “leases”*:

(a) The 160-acre, more or less, spacing unit in the Antelope Ridge; Bone Spring, West (2209) underlying the W/2 W/2 of Section 23. The spacing unit is currently dedicated to the **Florence State #1H well** (API No. 30-015-41841), the **Florence State 23-23S-34E AR #111H well** (API No. 30-025-45223), and the **Florence State 23-23S-34E AR #121H well** (API No. 30-025-44361);

(b) The 160-acre, more or less, spacing unit in the WC-025 G-06 S233423N; Wolfcamp (98242) underlying the E/2 W/2 of Section 23. The spacing unit is currently dedicated to the **Florence State 23-23S-34E AR #202H well** (API No. 30-025-44013);

(c) The 160-acre, more or less, spacing unit in the Antelope Ridge; Bone Spring, West (2209) underlying the W/2 E/2 of Section 23. The spacing unit is currently dedicated to the **Florence State 23-23S-34E AR #133H well** (API No. 30-025-44649);

(d) The 160-acre, more or less, spacing unit in the Antelope Ridge; Bone Spring, West (2209) underlying the E/2 E/2 of Section 23. The spacing unit is currently dedicated to the **Florence State 23-23S-34E AR #134H well** (API No. 30-025-45760); and

(e) Pursuant to 19.15.12.10.C(4)(g), *future spacing units connected to this central tank battery* with notice provided only to the interest owners within these future "leases."

Oil and gas production from these "leases" will be commingled and sold at the Florence Tank Battery located in the SE/4 SW/4 (Unit N) of Section 23. Prior to commingling, gas production from each "lease" will be separately metered using individual test separators with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each "lease" will also be separately metered using turbine meters.

Matador Production Company requests that this application supersede the prior surface commingling approval of Division Order PLC-511 for the **Florence State 23-23S-34E AR #111H well**, the **Florence State 23-23S-34E AR #121H well**, and the **Florence State 23-23S-34E AR #202H well**.

**Exhibit 1** is a land plat showing Matador's current development plan, flow lines, and central tank battery ("production facility") in the subject area. The plat identifies the wellbores, the existing spacing units, and the common surface facilities located in the SE/4 SW/4 (Unit N) of Section 23.

**Exhibit 2** is a C-102 for each of the wells currently permitted or drilled within the existing spacing units, together with existing production reports for the producing wells.

**Exhibit 3** is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Benjamin D. Peterson, P.E., Senior Production Engineer with Matador, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (attachment A to the statement) and a referenced gas sample (attachment B to the statement).

**Exhibit 4** is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing. A courtesy copy of this application has been provided to the New Mexico State Land Office since state lands are involved.

Thank you for your attention to this matter, and please feel free to call if you have any questions or require additional information.

Sincerely,



Kaitlyn A. Luck

**ATTORNEY FOR MATADOR PRODUCTION  
COMPANY**



September 9, 2019

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: ALL AFFECTED PARTIES**

**Re: Application of Matador Production Company to authorize pool commingling, off-lease storage, off lease measurement, and off-lease marketing at the Florence Tank Battery located in the SE/4 SW/4 (Unit N) of Section 23, Township 23 South, Range 34 East, NMPM, 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 at the Division's Santa Fe office located at 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:

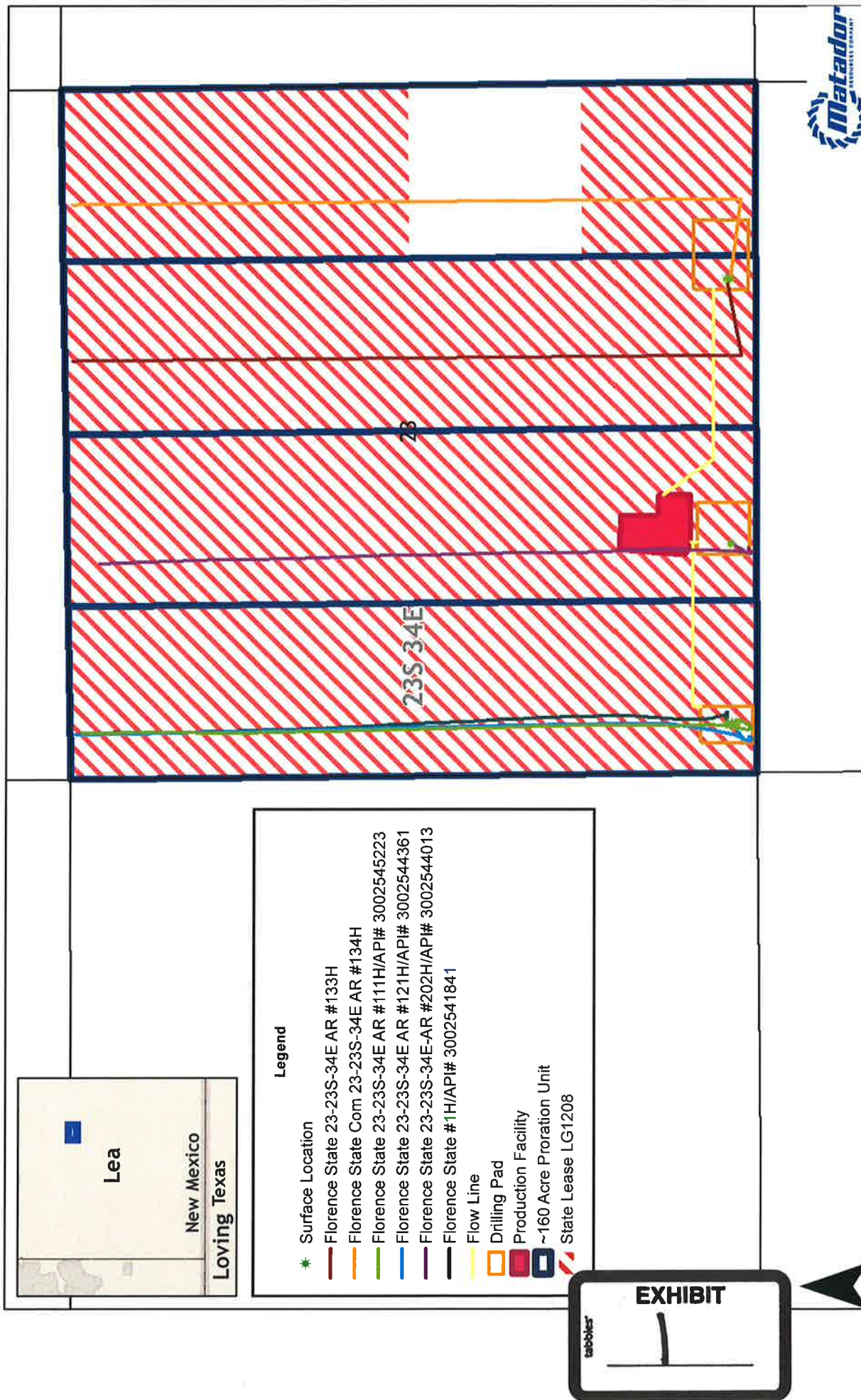
Brian Fancher  
Matador Production Company  
972-371-5242  
bfancher@matadorresources.com

Sincerely,

Kaitlyn A. Luck  
**ATTORNEY FOR**  
**MATADOR PRODUCTION COMPANY**



# Florence State Land Plat



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., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

**HOBBS OGD**  
**OCT 07 2011**  
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State of New Mexico  
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

<sup>1</sup> API Number 30-015-41841		<sup>2</sup> Pool Code 2209		<sup>3</sup> Pool Name Antelope Ridge; Bone Spring, West	
<sup>4</sup> Property Code 313216		<sup>5</sup> Property Name <b>FLORENCE STATE</b>			<sup>6</sup> Well Number <b>#1H</b>
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name <b>MATADOR PRODUCTION COMPANY</b>			<sup>9</sup> Elevation <b>3416'</b>

<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
<b>M</b>	<b>23</b>	<b>23-S</b>	<b>34-E</b>	<b>-</b>	<b>230'</b>	<b>SOUTH</b>	<b>380'</b>	<b>WEST</b>	<b>LEA</b>

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>D</b>	<b>23</b>	<b>23-S</b>	<b>34-E</b>	<b>-</b>	<b>330'</b>	<b>NORTH</b>	<b>380'</b>	<b>WEST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>160</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.

	<b>BOTTOM HOLE LOCATION</b> NEW MEXICO EAST NAD 1983 X=814846 Y=472711 LAT.: N 32.2964516 LONG.: W 103.4481685 NAD 1927 X=773662 Y=472651 LAT.: N 32.2963272 LONG.: W 103.4476917	<b>SURFACE LOCATION</b> NEW MEXICO EAST NAD 1983 X=814886 Y=467990 LAT.: N 32.2834747 LONG.: W 103.4481665 NAD 1927 X=773702 Y=467930 LAT.: N 32.2833502 LONG.: W 103.4476900	<b><sup>17</sup>OPERATOR CERTIFICATION</b> 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 that 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.  <i>Sara Hartsfield</i> 9/28/11 Signature Date Sara Hartsfield Printed Name shartsfield@matadorresources.com E-mail Address
	<b><sup>18</sup>SURVEYOR CERTIFICATION</b> 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 12/12/2015 Signature and Seal  Certificate Number		

S:\SURVEY\MATADOR\_RE

FLORENCE\_STATE\_1H.DWG 8/25/2017 4:10:28 PM gurens

EXHIBIT

2

tabbles



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
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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  
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District Office

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RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-45223		<sup>2</sup> Pool Code 2209		<sup>3</sup> Pool Name ANTELOPE RIDGE; BONE SPRING, WEST	
<sup>4</sup> Property Code 319578		<sup>5</sup> Property Name FLORENCE STATE 23-23S-34E AR			<sup>6</sup> Well Number #111H
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3416'

<sup>10</sup>Surface Location

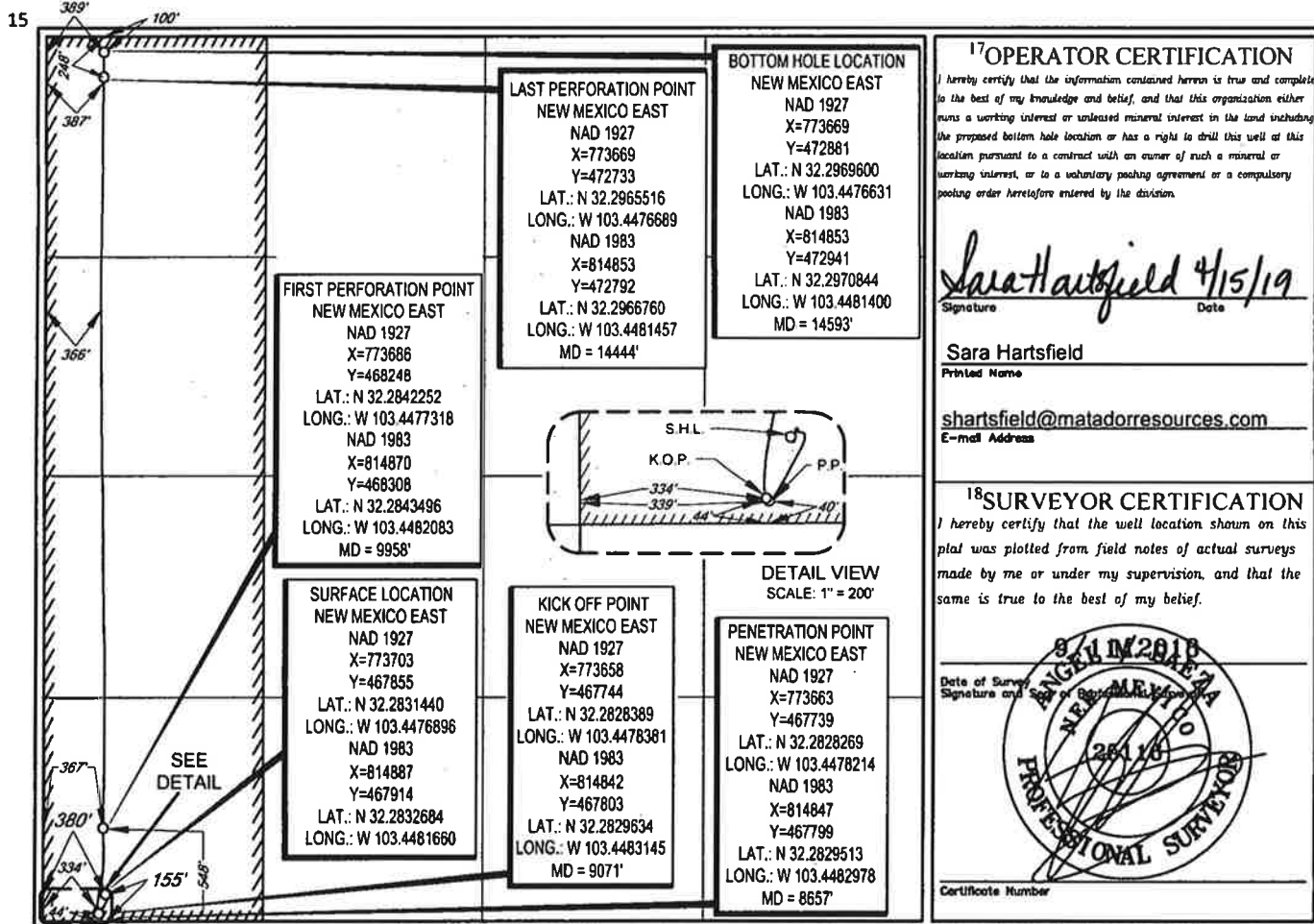
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	23	23-S	34-E	-	155'	SOUTH	380'	WEST	LEA

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	23	23-S	34-E	-	100'	NORTH	389'	WEST	LEA

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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# Production Summary Report

API: 30-025-45223

FLORENCE STATE 23 23 34 AR #111H

Printed On: Wednesday, September 04 2019

Year	Pool	Production					Injection				
		Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2019	[2209] ANTELOPE RIDGE;BONE SPRING, WEST	Mar	11372	34694	31877	31	0	0	0	0	0
2019	[2209] ANTELOPE RIDGE;BONE SPRING, WEST	Apr	8974	18392	17522	28	0	0	0	0	0
2019	[2209] ANTELOPE RIDGE;BONE SPRING, WEST	May	9511	37286	23578	31	0	0	0	0	0
2019	[2209] ANTELOPE RIDGE;BONE SPRING, WEST	Jun	5360	20697	12994	28	0	0	0	0	0

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State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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APR 18 2019

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 30-025-44361	<sup>2</sup> Pool Code 2209	<sup>3</sup> Pool Name ANTELOPE RIDGE; BONE SPRING, WEST
<sup>4</sup> Property Code 319578	<sup>5</sup> Property Name FLORENCE STATE 23-23S-34E AR	<sup>6</sup> Well Number #121H
<sup>7</sup> OGRID No. 228937	<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY	<sup>9</sup> Elevation 3416'

<sup>10</sup>Surface Location

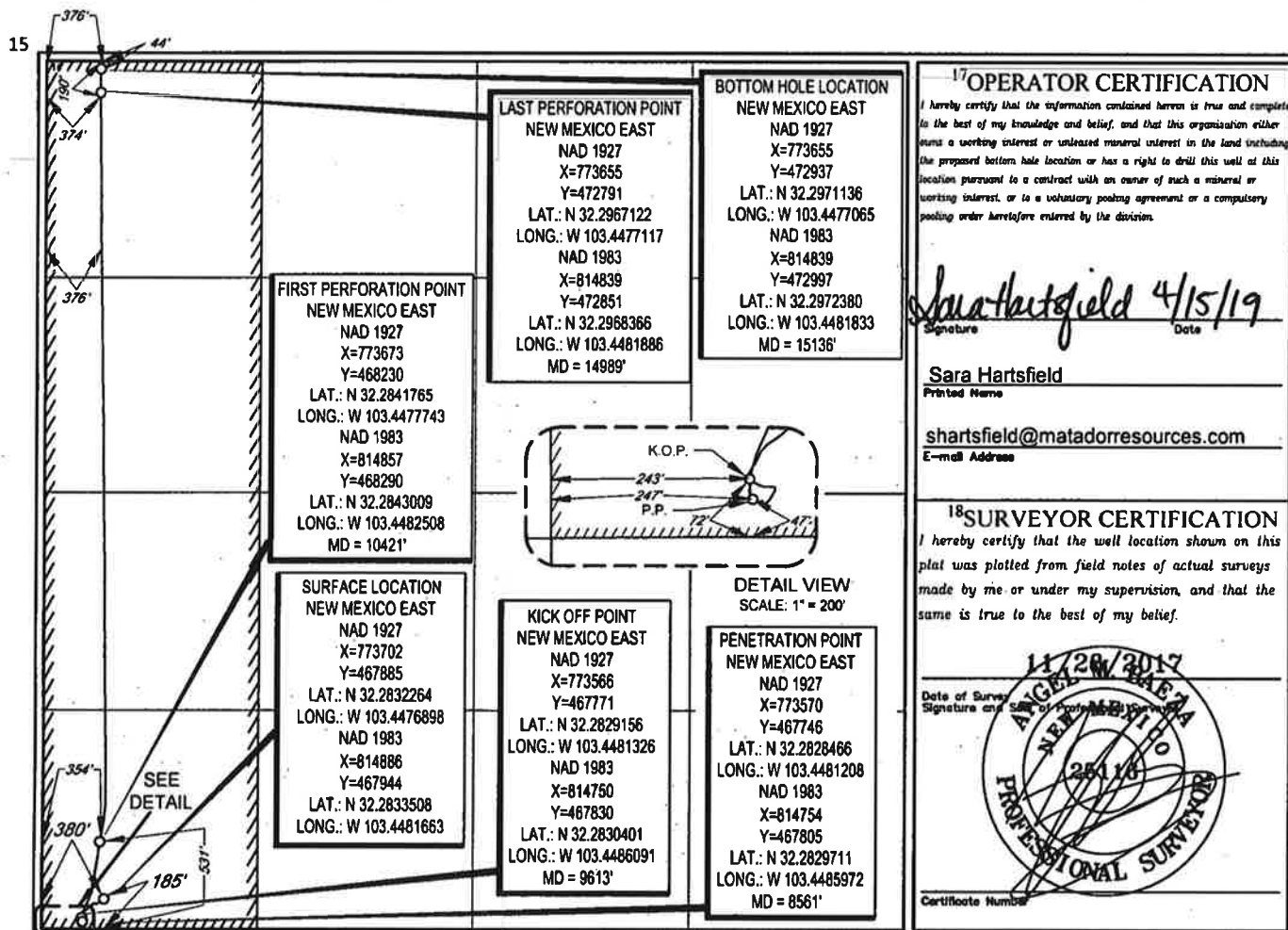
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	23	23-S	34-E	-	185'	SOUTH	380'	WEST	LEA

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	23	23-S	34-E	-	44'	NORTH	376'	WEST	LEA

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.



Production Summary Report API: 30-025-44361 FLORENCE STATE 23 23 34 AR #121H Printed On: Wednesday, September 04 2019												
Year	Pool	Production					Injection					
		Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure	
2019	[2209] ANTELOPE RIDGE;BONE SPRING, WEST	Mar	7467	22212	13529	31		0	0	0	0	0
2019	[2209] ANTELOPE RIDGE;BONE SPRING, WEST	Apr	6531	10371	7916	28		0	0	0	0	0
2019	[2209] ANTELOPE RIDGE;BONE SPRING, WEST	May	6008	10365	7779	31		0	0	0	0	0
2019	[2209] ANTELOPE RIDGE;BONE SPRING, WEST	Jun	4820	8903	6757	30		0	0	0	0	0

8 SURVEY/MAJOR RESOURCES/FLORENCE STATE 23-238-MB/NA PRODUCT/OO FLORENCE STATE 23-238-MB NA 133H REV/DWG 3/11/2019 10:28:17 AM 461978

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone (575) 393-6161 Fax (575) 393-0789  
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District IV  
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Phone (505) 476-3460 Fax (505) 476-3462

**HOBBS OCD**

**FEB 06 2018**

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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**

*As Drilled*

<sup>1</sup> API Number 30-025-44013		<sup>2</sup> Pool Code 98242		<sup>3</sup> Pool Name WC-025 G-06 S233423N; WOLFCAMP	
<sup>4</sup> Property Code 319578		<sup>5</sup> Property Name FLORENCE STATE 23-23S-34E AR			<sup>6</sup> Well Number #202H
<sup>7</sup> GRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3403'

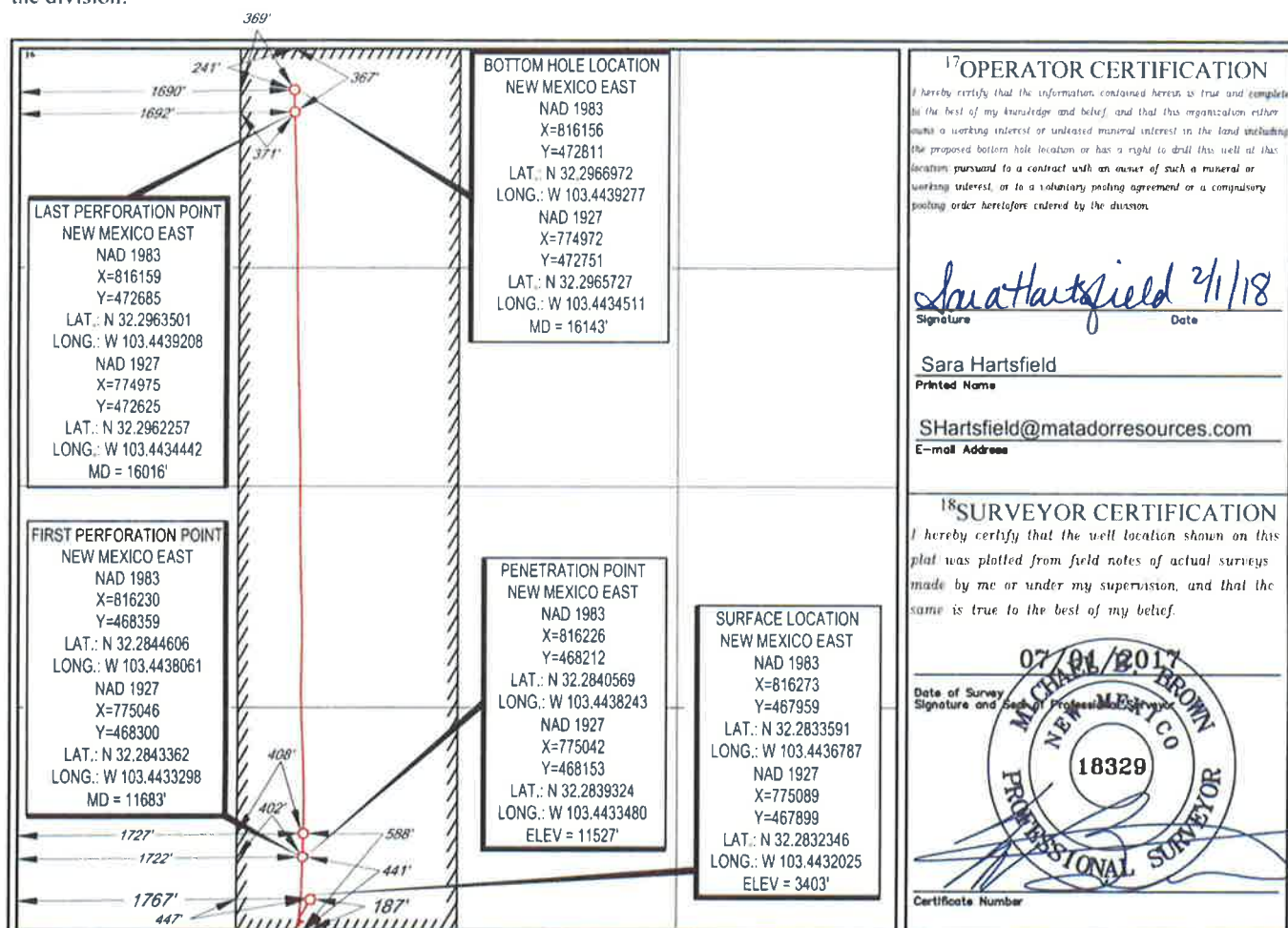
<sup>10</sup>Surface Location

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	23	23-S	34-E	-	187'	SOUTH	1767'	WEST	LEA

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	23	23-S	34-E	-	241'	NORTH	1690'	WEST	LEA

<sup>11</sup> Dedicated Acres 160.14	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</sup> Order No.
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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.





# Production Summary Report

API: 30-025-44013

FLORENCE STATE 23 23 34 AR #202H

Printed On: Wednesday, September 04 2019

Year	Pool	Production					Days P/I	Injection				
		Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Water(BBLS)		Co2(MCF)	Gas(MCF)	Other	Pressure	
2018	[98242] WC-025 G-06	Feb	26748	42383	42579	28		0	0	0	0	0
2018	[98242] WC-025 G-06	Mar	11572	26420	14074	31		0	0	0	0	0
2018	[98242] WC-025 G-06	Apr	8170	2876	5292	30		0	0	0	0	0
2018	[98242] WC-025 G-06	May	6671	12484	8684	30		0	0	0	0	0
2018	[98242] WC-025 G-06	Jun	5556	10634	1807	30		0	0	0	0	0
2018	[98242] WC-025 G-06	Jul	5167	9192	4594	31		0	0	0	0	0
2018	[98242] WC-025 G-06	Aug	5129	9867	4464	31		0	0	0	0	0
2018	[98242] WC-025 G-06	Sep	4675	8709	4580	30		0	0	0	0	0
2018	[98242] WC-025 G-06	Oct	4426	8345	5107	31		0	0	0	0	0
2018	[98242] WC-025 G-06	Nov	3553	6462	7629	30		0	0	0	0	0
2018	[98242] WC-025 G-06	Dec	3993	3033	5675	31		0	0	0	0	0
2019	[98242] WC-025 G-06	Jan	4058	668	4716	31		0	0	0	0	0
2019	[98242] WC-025 G-06	Feb	3524	609	4156	28		0	0	0	0	0
2019	[98242] WC-025 G-06	Mar	3733	30	5745	31		0	0	0	0	0

2019	[98242] WC-025 G-06 S233423N;WOLFCAMP	Apr	3250	1313	3760	30	0	0	0	0	0	0
2019	[98242] WC-025 G-06 S233423N;WOLFCAMP	May	3392	490	4125	31	0	0	0	0	0	0
2019	[98242] WC-025 G-06 S233423N;WOLFCAMP	Jun	3717	1157	5346	30	0	0	0	0	0	0

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State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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MAR 2 2019  
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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 <b>70015 45760</b>		<sup>2</sup> Pool Code <b>2209</b>	<sup>3</sup> Pool Name <b>Antelope Ridge; Bone Spring, West</b>
<sup>4</sup> Property Code <b>320855</b>	<sup>5</sup> Property Name <b>FLORENCE STATE COM</b>		<sup>6</sup> Well Number <b>134H</b>
<sup>7</sup> GRID No. <b>228937</b>	<sup>8</sup> Operator Name <b>MATADOR PRODUCTION COMPANY</b>		<sup>9</sup> Elevation <b>3382'</b>

<sup>10</sup>Surface Location

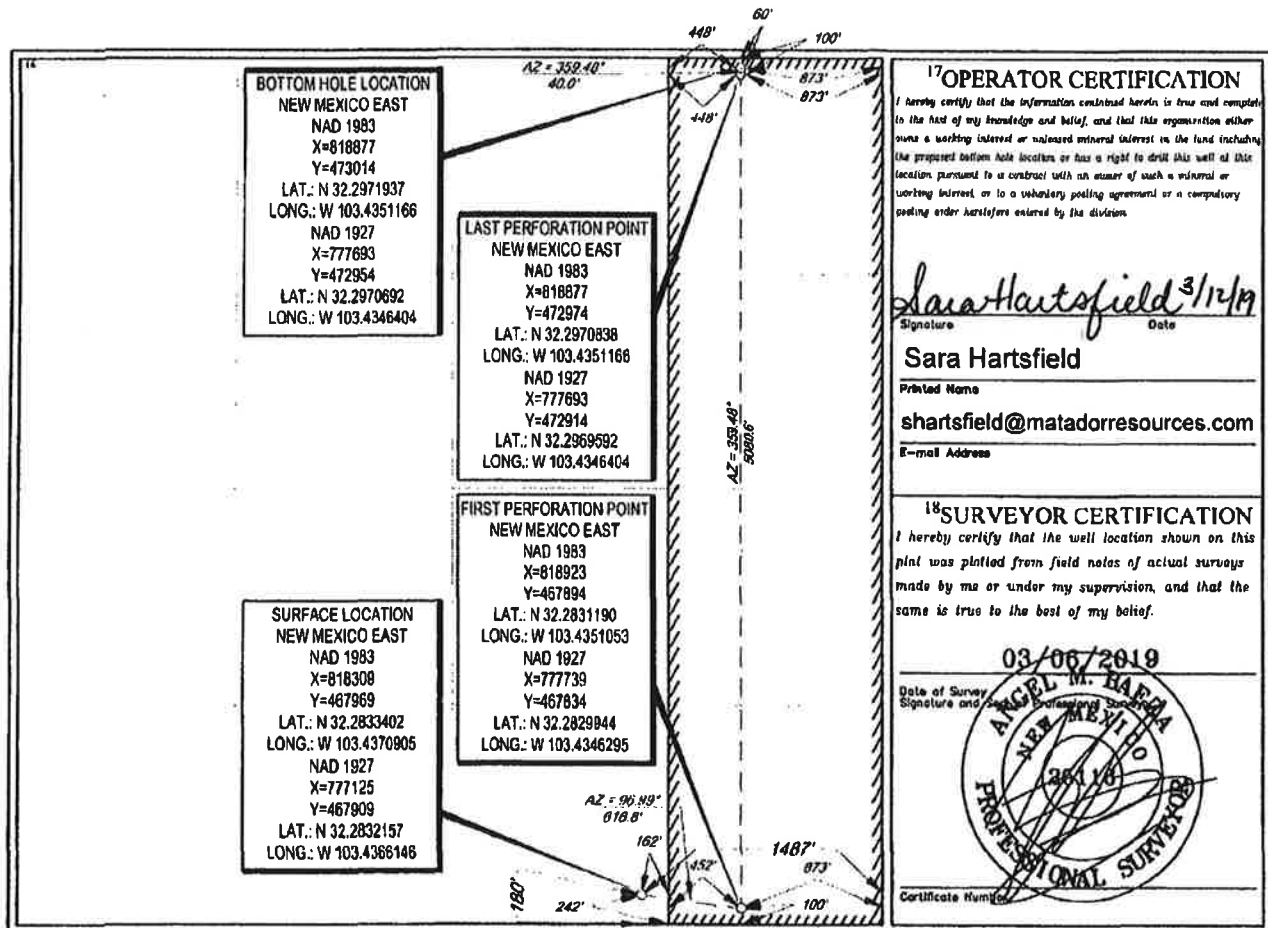
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>0</b>	<b>23</b>	<b>23-S</b>	<b>34-E</b>	<b>-</b>	<b>180'</b>	<b>SOUTH</b>	<b>1487'</b>	<b>EAST</b>	<b>LEA</b>

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>23</b>	<b>23-S</b>	<b>34-E</b>	<b>-</b>	<b>60'</b>	<b>NORTH</b>	<b>873'</b>	<b>EAST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>160</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.



District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Matador Production Company  
OPERATOR ADDRESS: 5400 LBJ Freeway Tower 1 Suite 1500 Dallas, TX 75240  
APPLICATION TYPE:  
☒ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☐ Yes ☐ No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Antelope Ridge; Bone Spring, West (2209)	43.8°	43.4° oil 1,288 BTU/CF	\$53.58/bbl oil Deemed 40° Sweet (July '19 realized price)	500 bopd
Antelope Ridge; Bone Spring, West (2209)	1,294 BTU/CF			1,400 mcf/d
WC-025 G-06 S233423N; Wolfcamp (98242)	42.0°			150 bopd
WC-025 G-06 S233423N; Wolfcamp (98242)	1,259 BTU/CF			300 mcf/d
(2) Are any wells producing at top allowables? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
(3) Has all interest owners been notified by certified mail of the proposed commingling? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
(4) Measurement type: <input checked="" type="checkbox"/> Metering <input type="checkbox"/> Other (Specify)				
(5) Will commingling decrease the value of production? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "yes", describe why commingling should be approved				

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Pool Name and Code- See Above  
(2) Is all production from same source of supply? ☒ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No  
(4) Measurement type: ☒ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attach sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Ben Peterson TITLE: Senior Production Engineer DATE: 9-3-19

TYPE OR PRINT NAME Ben Peterson TELEPHONE NO.: (972) 371-5427

E-MAIL ADDRESS: bpeterson@matadorresources.com



# Matador Production Company

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

Voice 972.587.4638 • Fax 972.371.5227

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

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**Ben Peterson**  
Sr. Production Engineer

September 3, 2019

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

**Re: Application of Matador Production Company for administrative approval to surface commingle (lease and pool commingle) production from the spacing units comprising Section 23, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico (the “Lands”)**

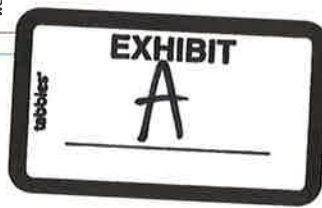
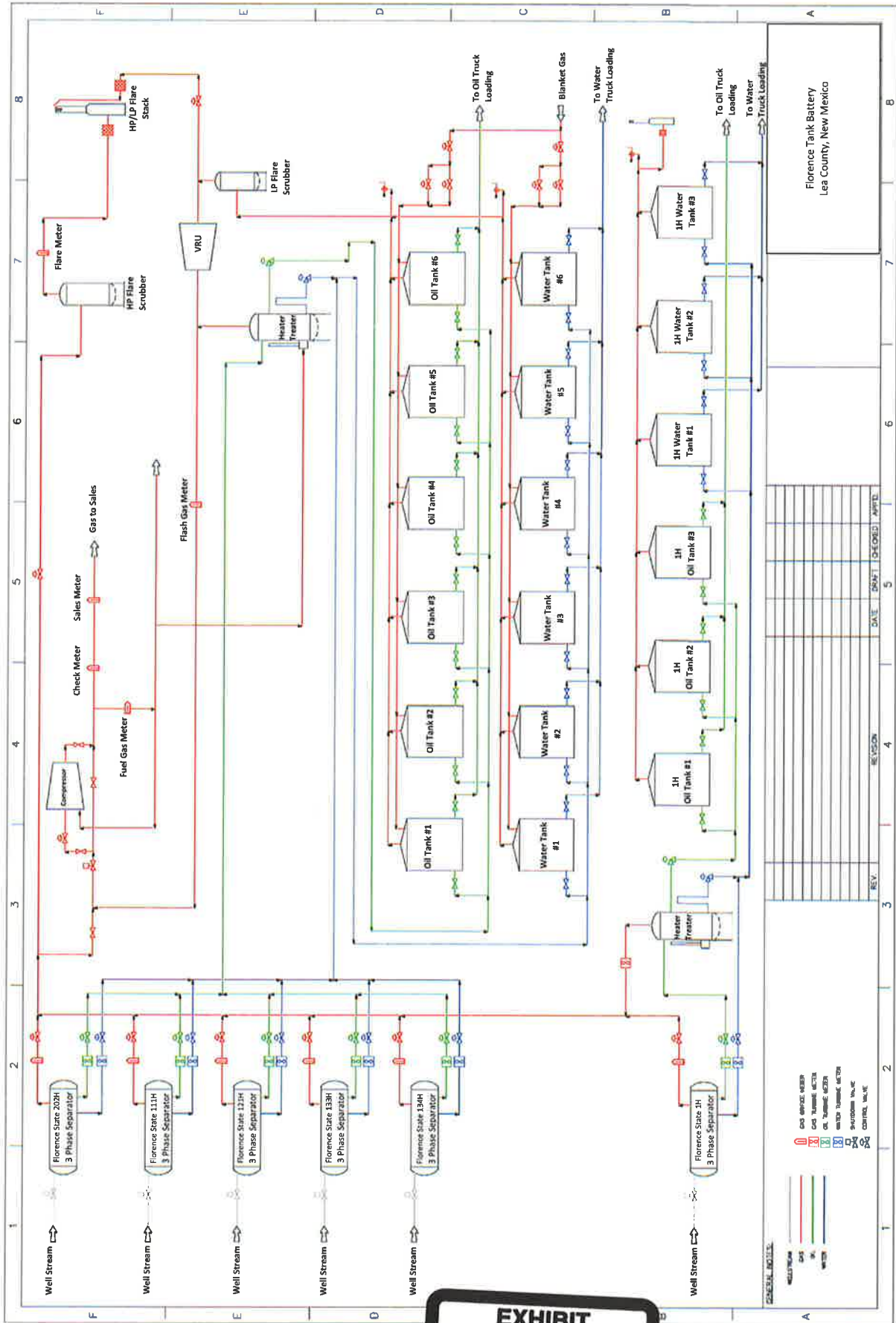
To Whom This May Concern,

Matador Production Company (“Matador”), OGRID: 228937, requests to commingle oil and gas production from six wells located on the Lands, and future production the Lands as described herein. All wells will be metered through individual three-phase separators with an oil turbine meter and gas orifice meter. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the Longwood Gathering line. Each well on the Lands will have its own three-phase separator with an orifice meter manufactured and assembled in accordance with American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third party measurement company in accordance with industry specifications.

The orifice meter is the preferred measurement device utilized by midstream and E&P companies in natural gas measurement. The gas samples are obtained at the time of the meter testing/calibration and the composition and heating value are determined by a laboratory in accordance with American Petroleum Institute (API) specifications to ensure accurate volume and Energy (MMBTU) determinations. See example from Fesco Laboratory attached as **Exhibit B** hereto.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. The PFD shows that the water, oil, and gas leave the wellbore and flow into a wellhead three-phase separator which separates the oil, gas, and water. The oil is measured via turbine meter which is calibrated periodically in accordance with industry specifications by a third party measurement company for accuracy. The gas is measured on a volume and MMBTU basis by an orifice meter and supporting EFM equipment in accordance with American Petroleum Association (API) Chapter 21.1. The gas is then sent into a gathering line where it is commingled





April 6, 2017

FESCO, Ltd.  
1100 Fesco Ave. - Alice, Texas 78332

For: Matador Production Company  
One Lincoln Centre  
5400 LBJ Freeway, Suite 1500  
Dallas, Texas 75240

Sample: Try Try Again No. 1H  
Meter Run Gas @ 40 psig & 86 °F

Date Sampled: 03/22/2017

Job Number: 71829 001

**CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286**

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	0.001	
Nitrogen	1.500	
Carbon Dioxide	0.307	
Methane	76.974	
Ethane	11.041	3.023
Propane	5.737	1.618
Isobutane	0.747	0.250
n-Butane	1.870	0.604
2-2 Dimethylpropane	0.016	0.006
Isopentane	0.439	0.164
n-Pentane	0.478	0.177
Hexanes	0.352	0.148
Heptanes Plus	<u>0.538</u>	<u>0.215</u>
Totals	100.000	6.206

**Computed Real Characteristics Of Heptanes Plus:**

Specific Gravity ----- 3.269 (Air=1)  
Molecular Weight ----- 94.31  
Gross Heating Value ----- 4927 BTU/CF

**Computed Real Characteristics Of Total Sample:**

Specific Gravity ----- 0.754 (Air=1)  
Compressibility (Z) ----- 0.9960  
Molecular Weight ----- 21.76  
Gross Heating Value  
Dry Basis ----- 1316 BTU/CF  
Saturated Basis ----- 1294 BTU/CF

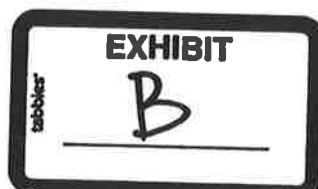
\*Hydrogen Sulfide tested on location by Stain Tube Method (GPA 2377)  
0.440 Gr/100 CF, 7.0 PPMV or 0.001 Mol %

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (24) V. George  
Analyst: NG  
Processor: NG  
Cylinder ID: T-2713

Certified: FESCO, Ltd. - Alice, Texas

David Dannhaus 361-661-7015



**CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286**  
**TOTAL REPORT**

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	0.001		0.002
Nitrogen	1.500		1.931
Carbon Dioxide	0.307		0.621
Methane	76.974		56.751
Ethane	11.041	3.023	15.258
Propane	5.737	1.618	11.626
Isobutane	0.747	0.250	1.995
n-Butane	1.870	0.604	4.995
2,2 Dimethylpropane	0.016	0.006	0.053
Isopentane	0.439	0.164	1.456
n-Pentane	0.478	0.177	1.585
2,2 Dimethylbutane	0.004	0.002	0.016
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.045	0.019	0.178
2 Methylpentane	0.107	0.045	0.424
3 Methylpentane	0.063	0.026	0.250
n-Hexane	0.133	0.056	0.527
Methylcyclopentane	0.073	0.026	0.282
Benzene	0.048	0.014	0.172
Cyclohexane	0.104	0.036	0.402
2-Methylhexane	0.016	0.008	0.074
3-Methylhexane	0.020	0.009	0.092
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.054	0.024	0.246
n-Heptane	0.036	0.017	0.166
Methylcyclohexane	0.065	0.027	0.293
Toluene	0.039	0.013	0.165
Other C8's	0.042	0.020	0.213
n-Octane	0.011	0.006	0.058
Ethylbenzene	0.003	0.001	0.015
M & P Xylenes	0.006	0.002	0.029
O-Xylene	0.001	0.000	0.005
Other C9's	0.013	0.007	0.075
n-Nonane	0.002	0.001	0.012
Other C10's	0.004	0.002	0.026
n-Decane	0.001	0.001	0.007
Undecanes (11)	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Totals	100.000	6.206	100.000

**Computed Real Characteristics Of Total Sample:**

Specific Gravity -----	0.754	(Air=1)
Compressibility (Z) -----	0.9960	
Molecular Weight -----	21.76	
Gross Heating Value		
Dry Basis -----	1316	BTU/CF
Saturated Basis -----	1294	BTU/CF

Owner Name	Int. Type	Address
MRC Permian Company	W	P.O. Box 1567
Allar Development LLC	O	Graham, TX 76450
Barrett Properties Inc	O	P.O. Box 1185
Martin K Joyce	O	Alto, NM 88312-1185
		P.O. Box 2142
		Roswell, NM 88202-2142
		110 West Louisiana Street, Suite 404
Robert E Landreth	O	Midland, TX 79704
		610 Reilly Avenue
Merrion Oil and Gas Corporation	O	Farmington, NM 87401
		2308 Sierra Vista Road
Nestegg Energy Corporation	O	Artesia, NM 88210
New Mexico State Land Office	R	
Merchant Livestock Company	R	PO Box 1105
		Eunice, NM 88231
		PO Box 4
Ray Westall	R	Loco Hills, NM 88255
		439 W. James Funk Rd.
Randall Harris	R	Lake Arthur, NM 88253
		5418 72nd Street
Sondra Kay Abernethy	R	Lubbock, Texas 79424
		PO Box 56
John E. Bosserman	R	Oakley, KS 67748
		40 First Plaza, Suite 601-N
Sandstone Properties, LLC		Albuquerque, NM 87102





## Shipment Confirmation Acceptance Notice

### A. Mailer Action

**Note to Mailer:** The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

MRC / 83379.0001

NSL - Florence State 1H Well, et al.

Shipment Date: 09/09/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	13
Total	13

\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

### B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.  
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0016 8790 26





Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		USPS Tracking/Article Number		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery										Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.									
1. 9214 8901 9403 8389 4678 23		Aller Development LLC PO BOX 1567 Graham TX 76450		Postage	0.65	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee							
2. 9214 8901 9403 8389 4678 30		Barrett Properties Inc PO BOX 1185 Alto NM 88312-1185		Postage	0.65	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee							
3. 9214 8901 9403 8389 4678 47		Martin K Joyce PO BOX 2142 Roswell NM 86202-2142		Postage	0.65	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee							
4. 9214 8901 9403 8389 4678 54		Robert E Landreth 110 West Louisiana Street Suite 404 Midland TX 79704		Postage	0.65	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee							
5. 9214 8901 9403 8389 4678 61		Merrion Oil and Gas Corporation 610 Rally Avenue Farmington NM 87401		Postage	0.65	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee							
6. 9214 8901 9403 8389 4678 78		Nestegg Energy Corporation 2308 Sierra Vista Road Artesia NM 88210		Postage	0.65	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee							
7. 9214 8901 9403 8389 4678 85		New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe NM 87501		Postage	0.65	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee							
8. 9214 8901 9403 8389 4678 92		Merchant Livestock Company PO BOX 1105 Eunice NM 88231		Postage	0.65	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee							
Total Number of Pieces Listed by Sender 13		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)																			



## Firm Mailing Book For Accountable Mail

Name and Address of Sender		Check type of mail or service										Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.									
		<input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Priority Mail <input type="checkbox"/> Restricted Delivery																			
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)																			
9.	9214 8901 9403 8389 4679 08	Ray Westfall PO BOX 4 Loco Hills NM 88255																			
10.	9214 8901 9403 8389 4679 15	Randall Harris 439 W James Funk Rd Lake Arthur NM 88253																			
11.	9214 8901 9403 8389 4679 22	Sondra Kay Abernethy 5418 72nd Street Lubbock TX 79424																			
12.	9214 8901 9403 8389 4679 39	John E Bosseman PO BOX 56 Oakley KS 67748																			
13.	9214 8901 9403 8389 4679 46	Sandstone Properties LLC 40 First Plaza Suite 601-N Albuquerque NM 87102																			
Total Number of Pieces Listed by Sender		Total Number of Pieces Received at Post Office										Postmaster, Per (Name of receiving employee)									
13																					