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

T	THIS CHECKLIST IS M	ANDATORY FOR ALL ADMINISTRATIVE APPLICATION		ILES AND REGULATIONS
Appli	cation Acronym	WHICH REQUIRE PROCESSING AT THE 8:	DIVISION LEVEL IN SANTA FE	
	[DHC-Dow [PC-Po	ndard Location] [NSP-Non-Standard Pro nhole Commingling] [CTB-Lease Comm ol Commingling] [OLS - Off-Lease Stor [WFX-Waterflood Expansion] [PMX-Pro [SWD-Salt Water Disposal] [IPI-Interposal] [IPI-Interposal]	mingling] [PLC-Pool/Lease C rage] [OLM-Off-Lease Meast essure Maintenance Expansio ijection Pressure Increase] on] [PPR-Positive Production	ommingling] urement] n] NSU-7364 n Response]
[1]	TYPE OF AF	PPLICATION - Check Those Which App Location - Spacing Unit - Simultaneous ☐ NSL ☐ NSP ☐ SD	Dedication Con	dor production pany 1937
	Check [B]	One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC	PC OLS OLM	- DN. K 24232- RB#226H
	[C]	Injection - Disposal - Pressure Increase WFX PMX SWD	- Enhanced Oil Recovery IPI EOR PPR	30-015-pendi Pou
	[D]	Other: Specify		
[2]	NOTIFICAT [A] [B]	ION REQUIRED TO: - Check Those W Working, Royalty or Overriding Ro Offset Operators, Leaseholders or S	byalty Interest Owners	-Fonehand PAL Dy Wolfcamp 76780
	[C]	Application is One Which Require	s Published Legal Notice	
	[D]	Notification and/or Concurrent Ap U.S. Bureau of Land Management - Commissioner of	proval by BLM or SLO Public Lands, State Land Office	70 -
	[E]	For all of the above, Proof of Notif	ication or Publication is Attache	ed, and/or,
	[F]	Waivers are Attached		IVE
[3]		CURATE AND COMPLETE INFORM ATION INDICATED ABOVE.	IATION REQUIRED TO PR	OGESS THE TYPE
[4] appro applic	val is accurate a	TION: I hereby certify that the information of complete to the best of my knowledge quired information and notifications are so	. I also understand that no action	on for administrative
	Note	Statement must be completed by an individual	with managerial and/or supervisory o	apacity.
	r Bradfute or Type Name	Signature	Title Attorney	11/20/2015 Date
			jlb@modrall.com e-mail Address	



November 20, 2015

Jennifer L. Bradfute 505.848.1845 Fax: 505.848.1882 jlb@modrall.com

David Catanach
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 unorthodox well location for its Dr. K 24-23S-27E RB #226H well located in the N/2 of Section 24, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Dear Mr. Catanach:

Matador Production Company (OGRID No. <u>228937</u>) seeks administrative approval of an unorthodox well location for its Dr. K 24-23S-27E RB #226H well (API number pending) to be completed within the Forehand Ranch, Wolfcamp (Gas) pool (Pool Code 76780) underlying the N/2 of Section 24, Township 23S, Range, 27E, Eddy County, New Mexico. Attached as **Exhibit A** is C-102 for the well. This is a horizontal well that will be drilled as follows:

Dr. K 24-23S-27E RB #226H

- <u>Surface Hole Location in Section 23</u>: 2063 feet from the South line and 330 feet from the East line of Section 23;
- <u>First Perforation Point in Section 24</u>: 2310 feet from the North line and 330 feet from the West line of Section 24;
- <u>Last Perforation Point in Section 24</u>: 2310 feet from the North line and 330 feet from the East line of Section 24; and
- Bottom Hole Location in Section 24: 2310 feet from the North line and 240 feet from the East line of Section 24.

Matador Production Company is requesting this NSL in order to efficiently produce its interests in Section 24. This well is producing from the Forehand Ranch, Wolfcamp (Gas) pool (Pool Code 76780). There are no

Modrall Sperling Roehl Harris & Sisk P.A.

Bank of America Centre 500 Fourth Street NW Sulte 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com special pool rules for this pool, and thus the setback requirements under Rule 19.15.15.10(B) of 660' apply. As a result, the completed intervals for this well are closer than 660' from the boundary of the project areas. The unorthodox location will encroach towards the N/2 of Section 24. Matador is the operator in both the N/2 and S/2 of Section 24, and owns 100% of the working interests in Section 24. The well will also encroach towards the adjoining spacing units in Section 23, Township 23 South, Range 27 East and Section 19, Township 23 South, Range 28 East. **Exhibit B** is a plat showing the surrounding ownership and the project area for the proposed Dr. K 24-23S-27E RB #203H well in relation to adjoining units.

Exhibit C is a list of the parties affected by the encroachment. Each of these parties have been provided notice of this application by certified mail, return receipt requested, advising them that if they have any objection to this well, it must be filed with the New Mexico Oil Conservation Division within 20 days of the mailing of this notice. In addition, a copy of this application has also been provided to the New Mexico State Land Office.

Your attention to this matter is appreciated.

Sincerely,

Jennifer L. Bradfute

Attorney for Matador Production

Company

cc:

New Mexico State Land Office Post Office Box 1148 Santa Fe, New Mexico 87504 District | 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District III 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., Sanle Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

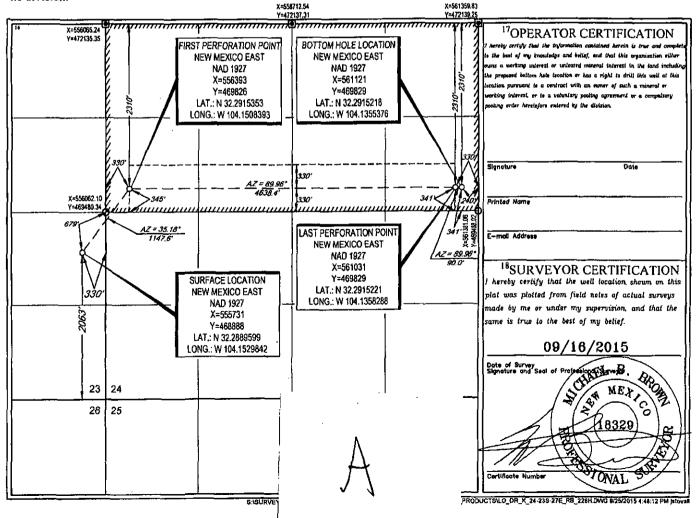
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Sante Fe, NM 87505

FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

■ AMENDED REPORT

Well Number #226H	
⁹ Elevation	
Elevation 3127'	
EDDY	
County EDDY	

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.



7-13-2018 A.M. Hous		Vosquez 12 9 A 3 Na 16 34 15 Mill SMill SM
Artesio O.&.G. 10-3-2016	eatherstone Dev. 8 19·2016 Yates Pet, etal 4·7·2019	Tates Pet/etal Featherstone 10 Carrasco Featherstone 4-30-2015-5E/4 Mair bacht 7-13-2018, N/7 Feathers Feath
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Y. 11	lycoland less Lov- ag Fee	Corrosco 3 18 7.015 Featherstone 8-18-2018 W. Mccaw J. Stevens HBC W/2 J. Jorichi Langer
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	U.S. R.C.Chase,	Hack En Cost River Cost River
(wo) Waltershald D. L. Boyd Stergess Demetrees I	Pedra Onsurez	Permiori (10-2017 841) Pagurer Mar ar Alaugery Opra Seguers, etc.
Nodel F173 Gussman 19Mil. 5-1-2015 VB:1853 \$704. 99	Marker Sinker Chevron 11 · 1 · 2016 117115 950.00	Artesia Q.E.G. 5-28-2017 Yates Pet. etal "N.Tipton" Feather N/2 & W25W/4 1-23-2019 Parative forms: Stone N/2 & E. E./2 Parative forms: Stone OH 2016 UTS.142 Permian MYCO Ind. Chartier Del Disc. 7-1-2016 12-25-2017 Pil Featherstone Dev. T-1-2018
24	U.S.	Chevron et al Plantation 5-25-15 Enron OF 6 Tylor Res. 6-15



EXHIBIT C:

List of Affected Persons for the Application of Matador Production Company for administrative approval of unorthodox well location for its Dr. K 24-23S-27E RB #226H well located in the N/2 of Section 24, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Jennifer L. Bradfute 505.848.1845 Fax: 505.848.1882 Jlb@modrall.com

COG Operating, LLC One Concho Center 600 W. Illinois, Ave. Midland, TX 79701

Chase Oil Corp. 11352 Lovington Hwy. Artesia, NM 88210

Mack Energy Corp. P.O. Box 960 Artesia, NM 88211

Xplor Resources, LLC 1104 N. Shore Dr. Carlsbad, NM 88220

New River Mineral Holdings, LLC 1203 Country Club Drive Carlsbad, NM 88220

Featherstone Development Corp. P.O. Box 429 Roswell, NM 88202

Frank N. Carrasco 2405 Utah St. Carlsbad, NM 88220

Read and Stevens, Inc. P.O. Box 1518 Roswell, NM 88202

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Bank of America Centre 500 Fourth Street NW Sulte 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrail.com Legacy Reserves Operating, LP P.O. Box 10848 Midland, TX 79702

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



Jennifer L. Bradfute 505.848.1845 Fax: 505.848.1882 jlb@modrall.com

November 20, 2015

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

Re: Dr. K well (226 H)

Dear Mr. McMillan:

Pursuant to your request, please find a copy of the NSL application for the Dr. K. (226H) well.

Should you have questions, please do not hesitate to contact me. Thank you.

Sincerely,

Sandi Horton, Legal Assistant to

Jennifer L. Bradfute

/sjh
Enclosures
Y:\dox\client\85889\0005\CORRES\W2592364.DOC

Modrall Sperling Roehl Harris & Sisk P.A.

Bank of America Centre 500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

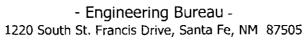
PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com

DATE IN SU	USPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION





		ADMINISTRATIVE APPL	ICATION CHECKLIS	T
	THIS CHECKLIST IS M	IANDATORY FOR ALL ADMINISTRATIVE APPLICA WHICH REQUIRE PROCESSING AT T	TIONS FOR EXCEPTIONS TO DIVISION RUL	ES AND REGULATIONS
Appl	[DHC-Dow [PC-Pc	s: ndard Location] [NSP-Non-Standard F nhole Commingling] [CTB-Lease Co ool Commingling] [OLS - Off-Lease S	Proration Unit] [SD-Simultaneous mmingling] [PLC-Pool/Lease Co torage] [OLM-Off-Lease Measu Pressure Maintenance Expansion -Injection Pressure Increase]	ommingling] rement]]
[1]	TYPE OF AF [A]	PPLICATION - Check Those Which A Location - Spacing Unit - Simultaneo NSL NSP SD	·	
	Check [B]	One Only for [B] or [C] Commingling - Storage - Measureme DHC CTB PLC	nt PC	
	[C]	Injection - Disposal - Pressure Increas	se - Enhanced Oil Recovery IPI	
	[D]	Other: Specify		
[2]	NOTIFICAT [A]	ION REQUIRED TO: - Check Those Working, Royalty or Overriding		у
	[B]	Offset Operators, Leaseholders of	or Surface Owner	
	[C]	Application is One Which Requi	ires Published Legal Notice	
	[D]	Notification and/or Concurrent A	Approval by BLM or SLO of Public Lands, State Land Office	
	[E]	For all of the above, Proof of No	tification or Publication is Attached	d, and/or,
	[F]	Waivers are Attached		
[3]		CURATE AND COMPLETE INFORATION INDICATED ABOVE.	RMATION REQUIRED TO PRO	OCESS THE TYPE
[4] appro appli	oval is <mark>accurate</mark> a	TION: I hereby certify that the informand complete to the best of my knowled quired information and notifications are	ge. I also understand that no actio i	n for administrative will be taken on this
		Statement must be completed by an individu		
	or Type Name	Signature	Title Attorney	11/20/2015 Date
			jlb@modrall.com e-mail Address	



November 20, 2015

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of Matador Production Company for administrative approval of unorthodox well location for its Dr. K 24-23S-27E RB #226H well located in the N/2 of Section 24, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Ladies and Gentlemen:

Enclosed in this notice is a copy of the above referenced application filed with the New Mexico Conservation Division on this date. Any objections that you have to this application must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the above referenced application. If no objections are received within twenty days, this application may be administratively approved by the Division.

If you have any questions concerning this application, please contact:

Chris Carleton Matador Production Company 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240

Phone: 972-371-5430

If you have no objection to this application, please sign the waiver as indicated below and return the original. Your assistance and cooperation in this matter are appreciated.

Sincerely,

Jennifer L. Bradfute

Attorney for Matador Production Company

Modrall Sperling Roehl Harris & Sisk P.A.

Jennifer L. Bradfute 505.848.1845

Fax: 505.848.1882

jlb@modrali.com

Bank of America Centre 500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrail.com

<u>WAIVER</u>

	hereby	waives	objection	to the	above
referenced Application for Unortho	dox Loca	ition for	the Dr. K	24-23S-2	27E RB
#226H well, which will be locate					
South, Range 27 East, N.M.P.M., E					-
Dated:					
Dateu.		Signatu	re		



November 20, 2015

Jennifer L. Bradfute 505.848.1845 Fax: 505.848.1882 jlb@modrall.com

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

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Tel: 505.848.1800 www.modrail.com special pool rules for this pool, and thus the setback requirements under Rule 19.15.15.10(B) of 660' apply. As a result, the completed intervals for this well are closer than 660' from the boundary of the project areas. The unorthodox location will encroach towards the S/2 of Section 24. Matador is the operator in both the N/2 and S/2 of Section 24, and owns 100% of the working interests in Section 24. The well will also encroach towards the adjoining spacing units in Section 23, Township 23 South, Range 27 East and Section 19, Township 23 South, Range 28 East. **Exhibit B** is a plat showing the surrounding ownership and the project area for the proposed Dr. K 24-23S-27E RB #206H well in relation to adjoining units.

Exhibit C is a list of the parties affected by the encroachment. Each of these parties have been provided notice of this application by certified mail, return receipt requested, advising them that if they have any objection to this well, it must be filed with the New Mexico Oil Conservation Division within 20 days of the mailing of this notice. In addition, a copy of this application has also been provided to the New Mexico State Land Office.

Your attention to this matter is appreciated.

Sincerely,

Jennifer L. Bradfute

Attorney for Matador Production

Company

cc: New Mexico State Land Office Post Office Box 1148 Santa Fe, New Mexico 87504 District 1 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., Sante Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

320

API Number

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

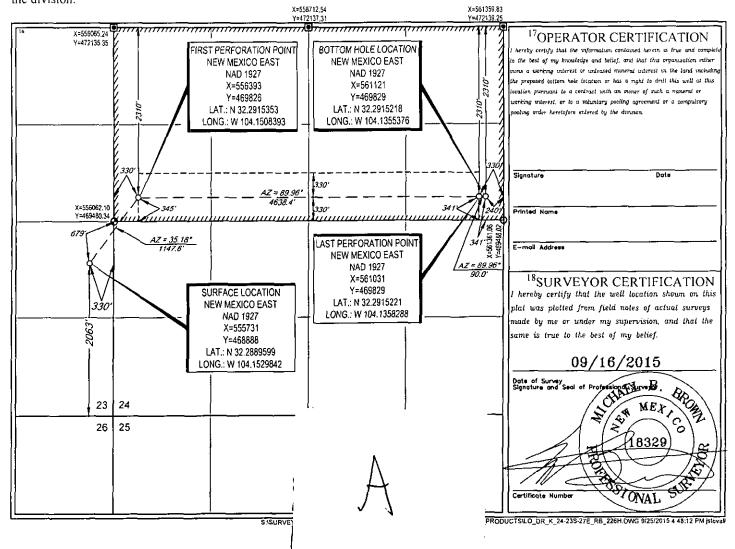
FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

___ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Property Code		DR. K 24-23S-27E RB					•	Well Number #226H	
OGRID No.			ATADOR	*Operator Name ADOR PRODUCTION COMPANY				⁹ Elevation 3127'	
					10 Surface Loc	ation			
IL or lot no. I	Section 23	Township 23-S	Range 27-E	Lot (dn	Feet from the 2063'	North/South line SOUTH	Feet from the 330'	East/West line EAST	EDDY EDDY
11. or lut no. H	Section 24	Township 23-S	Runge 27-E	1,ot Idn	Feet from the 2310'	North/South line NORTH	Feet from the 240'	East/West line	Count EDDY

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.



Artesia O.&G. 10-3-2016	Featherstone Dev. 8-19-2016 Yates Pet., etal 4-7-2019	Yates Pet/etal, Featherstone 4.30.2015-SE/4 W.Loveloce Tr. Toelas 1.22.2 Toe	Guitar Tr. Aradie A-30-2016 Oeng A Correr Amoco Horris Fint Amoco Horous (1)
R.C. Chase et al Wilma Haight ML W. Johnson Yanacio Lopez 2 Plantation 5-22-2018	H.L. Perry Jr. Mins. H. Swearingen Est. Hew River 8.4-2017 Mest Lov- 179 Fee R. Holyuin 2. Chase Oil 12-11-2014 Mycolard West Loving Ut. 1841L 12. U.S. R.C. Chase, 81 01	M.E.Phillips Pardus Farm (F.N. W. Macaw Corrosco 8-19-2015 Featherstone 8-18-2018 R.C.Ghosa, et al. R.C.Ghosa, et al. R.M. Macaw R.C.Ghosa, et al. Rimbley Kimbley	Jack of Stevens Stevens
Nadel Fits Nadel Fits Gussman In Mil. 5-1-7015 YB-1853 \$704.00	Ross Duncarian March de River Pedro Onsurez Mark En	R.C. Chose, et al Perm 1-15-2	Artesia O.E.G. 1-10-2017 Dora Sagaers; etal Feather- Stone 10:4-20:6 LTS-1A2 Tean Tea



LAWYERS

EXHIBIT C:

List of Affected Persons for the Application of Matador Production Company for administrative approval of unorthodox well location for its Dr. K 24-23S-27E RB #226H well located in the N/2 of Section 24, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Jennifer L. Bradfute 505.848.1845 Fax: 505.848.1882 jlb@modrall.com

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Frank N. Carrasco 2405 Utah St. Carlsbad, NM 88220

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Tel: 505.848.1800 www.modrall.com Legacy Reserves Operating, LP P.O. Box 10848 Midland, TX 79702

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