ENGINEER

X13/2/47

C7B

Room 4my 701358796

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 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 **Application Acronyms:** [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response] [1] **TYPE OF APPLICATION - Check Those Which Apply for [A]** Location - Spacing Unit - Simultaneous Dedication ☐ NSL ☐ NSP ☐ SD Check One Only for [B] or [C] Commingling - Storage - Measurement ☐ DHC ☑ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM Injection - Disposal - Pressure Increase - Enhanced Oil Recovery [C] □ WFX □ PMX □ SWD □ IPI □ EOR □ PPR [D] Other: Specify NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply [2] Working, Royalty or Overriding Royalty Interest Owners [A] [B] Offset Operators, Leaseholders or Surface Owner - RUSHER BUCKES [C] Application is One Which Requires Published Legal Notice [D] Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office For all of the above, Proof of Notification or Publication is Attached, and/or, [E][F] Waivers are Attached 30-015-SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE [3] OF APPLICATION INDICATED ABOVE. CERTIFICATION: I hereby certify that the information submitted with this application for administrative [4] 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. Jordan L. Kessler Attorney Print or Type Name Signature jlkessler@hollandhart.com

e-mail Address



Jordan L. Kessler Associate Phone (505) 988-4421 Fax (505) 983-6043 JLKessler@hollandhart.com

January 13, 2017

VIA HAND DELIVERY

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 for off-lease measurement and approval to surface commingle (lease commingle) oil and gas production from the spacing units comprised of the S/2 of Section 12 and the N/2 of Section 13, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico.

Dear Mr. Catanach:

Matador Production Company (OGRID No. 228937) seeks administrative approval for off-lease measurement and approval to surface-lease commingle oil and gas production from the Black River; Wolfcamp, East (Gas) Pool (Pool Code 97442) from all existing and future wells and existing and future leases drilled in the following areas of diverse ownership in Township 24 South, Range 27 East, NMPM, in Eddy County, New Mexico:

- (a) The 320-acre standard spacing unit comprised of the S/2 of Section 12. This pooled spacing unit is currently dedicated to the Rustler Breaks 12-24-27 No. 1H Well (API No. 30-015-41775). This well produces from the Black River; Wolfcamp, East (Gas) Pool (Pool Code 97442). The spacing unit is subject to Division Order R-13763, which pooled certain uncommitted interest owners for the Rustler Breaks 12-24-27 No. 1H Well.
- (b) The 320-acre standard spacing unit comprised of the N/2 of Section 13. This pooled spacing unit is currently dedicated to Brantley State Com 13-24S-27E RB No. 221H Well (API No. 30-015-43774). This well will produce from Black River; Wolfcamp, East (Gas) Pool (Pool Code 97442).² The spacing unit is subject to Division Order R-14229, which pooled certain uncommitted interest owners for the Brantley State Com 13-24S-27E RB No. 221H Well.

¹ Pursuant to Division Order No. R-14262, the pool will change effective February 1, 2017, to the Purple Sage Gas Pool (Pool Code 98220). Spacing and commingling will not be affected.

² Pursuant to Division Order No. R-14262, the pool will change effective February 1, 2017, to the Purple Sage Gas Pool (Pool Code 98220). Spacing and commingling will not be affected.

HOLLAND&HART.

Matador Production Company January 13, 2017 Page 2

Pursuant to NMAC 19.15.12.7, approved spacing units with diverse ownership are considered separate leases for surface commingling purposes. Matador seeks authority to surface commingle production according to the provisions of NMAC 19.15.12.10.C from all existing and future wells in these separate areas of diverse ownership at a surface facility located in the SE/4 SE/4 (Unit P) of Section 12. Pursuant to 19.15.12.10(C)(4)(g), Matador also seeks authority to commingle production into the DLK Black River South Trunk Line from future leases with notice provided only to interest owners within future leases. Prior to commingling, gas production from each well will be separately metered using individual test separators with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each well will also be separately metered using a turbine meter.

Exhibit 1 is a land plat showing Matador's current development and gathering system in the subject area. The plat identifies the wellbores, the spacing units, and the common surface facility located in the SE/4 SE/4 (Unit P) of Section 12. The acreage is all fee and state lands.

Exhibit 2 is a completed Application for Surface Commingling (Diverse Ownership) and Off-Lease Measurement Form C-107-B. The record ownership and elections are identical in these two leases. However, the wells will be on different payout schedules, necessitating an application with diverse ownership.

Exhibit 3 is an in-depth engineering explanation of Matador's commingling process.

Exhibit 4 is a C-102 for each of the wells, both drilled and planned to be drilled, within the existing spacing units.

Exhibit 5 is a diagram of the surface facilities.

Exhibit 6 is a list of the interests affected by this request for approval to off-lease measure and surface commingle oil and gas production. A copy of this application with all attachments has been sent by certified mail to all affected parties advising them that if they have an objection they must file it in writing with the division within 20 days from the date the division receives Matador's application.

Your attention to this matter is appreciated.

Sincerely,

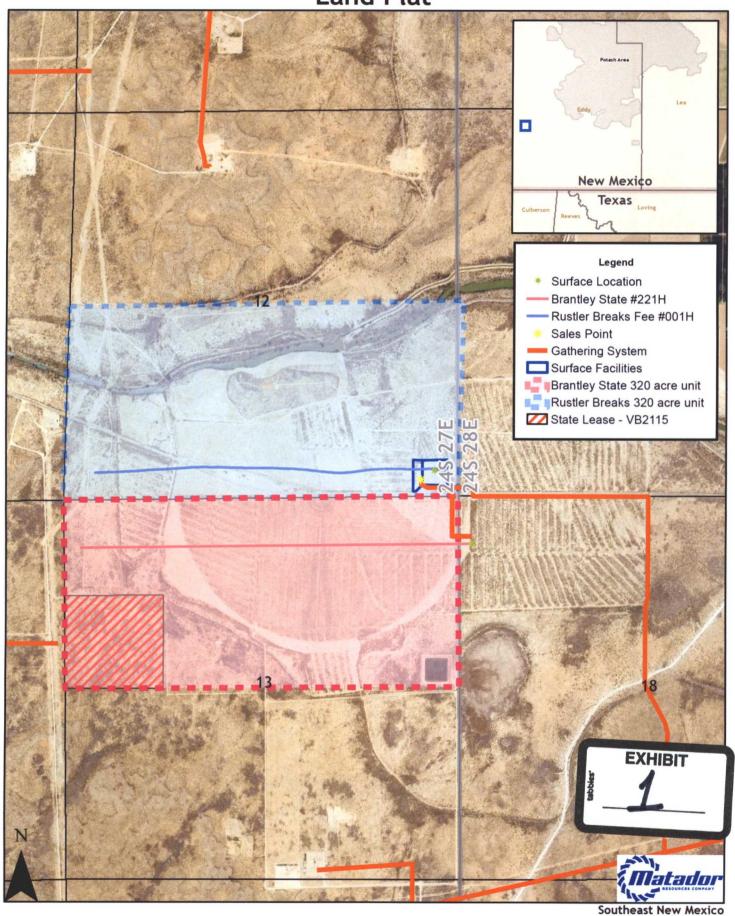
Jordan L. Kessler

ATTORNEY FOR

MATADOR PRODUCTION COMPANY

Aud. M

Rustler Breaks / Brantley State Land Plat



District I
1625 N. French Drive, Hobbs, NM 88240
District II
811.5 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

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.

	ON FOR SURFACE	COMMINITAGEMAC	UIVERSE	OWNERSHIP)	
	ador Production Company LBJ Freeway Tower I Su	ite 1500 Dallas TX 75	240		
APPLICATION TYPE:	7 DD3 T100Way TOWOTT 50	100 Dullas, 171 75	240		
	ingling Pool and Lease Cor	mmingling Off-Lease	Storage and Measu	rement (Only if not Surfac	e Commingled)
LEASE TYPE: 🛛 Fee	⊠ State ☐ Feder	•••			
Is this an Amendment to existing C Have the Bureau of Land Manager ☑Yes ☐No	order? ☐Yes ☒No If nent (BLM) and State Land	"Yes", please include d office (SLO) been no	the appropriate (tified in writing	Order No of the proposed comm	ingling
		OL COMMINGLIN ts with the following i			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	i	Calculated Value of Commingled Production	Volumes
:					
		_			
				_	
(2) Are any wells producing at top a			<u>L</u>		
1) Pool Name and Code- Black Riv 2) Is all production from same sour 3). Has all interest owners been notifi 4) Measurement type: Metering	Please attach sheet er Wolfcamp East Code: 9744 ce of supply? Yes No ed by certified mail of the pro Other (Specify)	o posed commingling?	nformation ⊠Yes □N	lo	
		LEASE COMMIN ts with the following in			
1) Complete Séctions A and E.	I loude accur breek			1: 72	
				į.	
	(D) OFF-LEASE ST				
(1) Is all production from same source	ce of supply? 🔲 Yes 🔲 N	ets with the following	intormation		
2) Include proof of notice to all inte	rest owners.				
(E)	ADDITIONAL INFO	RMATION (for all s with the following in		ypes)	
A schematic diagram of facility, A plat with lease boundaries should be compared to the compared to t	including legal location. wing all well and facility locat	A Company of the Comp		ate lands are involved.	
hereby certify that the information ab	_	best of my knowledge ar		DATE:	112/17
TYPE OR PRINT NAMEJohn Ro				IE NO.:_(972) 371-5245	
E-MAJL ADDRESS:jromano@ma	tadorresources.com				EXHIBIT

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5245 • Fax 972.371.5201 iromano@matadorresources.com

John L. Romano Senior Production Engineer

January 4, 2017

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

Re: Application of Matador Production Company for administrative approval for off-lease measurement and approval to surface commingle (lease commingle) gas and oil production from the spacing units comprised of the S/2 of Section 12, the N/2 of Section 13, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Lands")

To Whom This May Concern,

Matador Production Company ("Matador"), OGRID: 228937, requests to commingle current oil and gas production from two (2) distinct wells located on the Lands and future production from the Lands as described herein. Both wells will be metered through a test separator 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 lines, as depicted on Exhibit A, the DLK Black River South Trunk Line. Each well on the Lands will have its own test 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 the natural gas business. 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 Mitchell Analytical 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 test separator which separates the oil, gas, and water. The oil is measured via turbine meter which is calibrated periodically 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 with each of the other wells' metered gas.



The gathering line gas is then metered by another orifice meter at the tank battery check to show the total volume of gas leaving the Tank Battery. This meter is tested and calibrated in accordance with industry specifications and volume and energy are determined on an hourly, daily, and monthly basis. Once the gas exits this final tank battery sales check it travels directly into a third party sales connect meter. Longwood has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

In conclusion, all the oil and gas produced on the Lands is and will be metered at each wellhead and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard.

Very truly yours,

MATADOR PRODUCTION COMPANY

John L. Romano Production Engineer Djurfet I 1623 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artosia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 314-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Sante Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

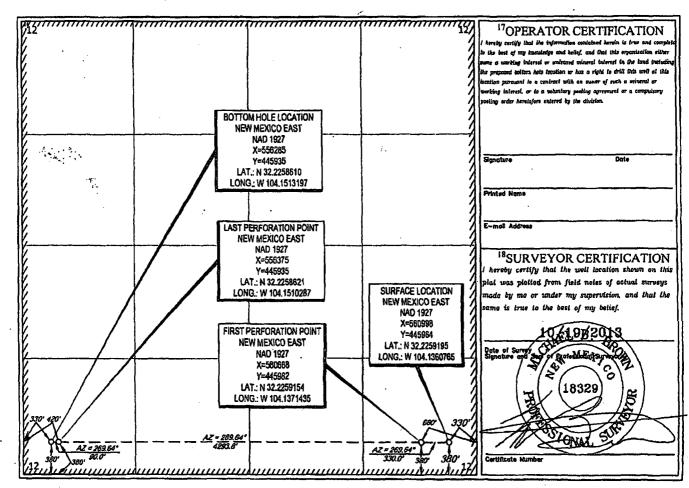
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Sante Fe, NM 87505

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

AMENDED REPORT

		W	ELL LO	CATION	AND ACRE	EAGE DEDICA	TION PLAT	r	
30-0	API Number	11775	- 0	Pool Code	2 B/	ack Ruces; a	Pool Name &	451 (6)	
4020	33			RUSTI	"Property Na	s 12-24-27	,	, w	'ell Number #1H
2 2893	7			(ATADOI	Operator Na R PRODUCT	ION COMPAN	Y		Elevation 3090'
				-	¹⁰ Surface Lo	cation			
UL or lot no. P	Section 12	Township 24-S	Rnnge 27-E	Lot Idn	Feet from the 380'	North/South line SOUTH	Feet from the 330'	Enst/West line EAST	EDDY EDDY
UL or lot no.	Section 12	Township 24-S	Range 27-E	Lot idn	Feet from the 380'	North/South line	Feet from the 330'	East/West line WEST	EDDY EDDY
12 Dedicated Acres	¹³ Joint or 1	infill 14Co	nsolidation Code	e ⁽⁸ Order	No.			· · · · · · · · · · · · · · · · · · ·	

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 Dr., Hobbs, NM 88240
Phone: (575) 993-6161 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

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

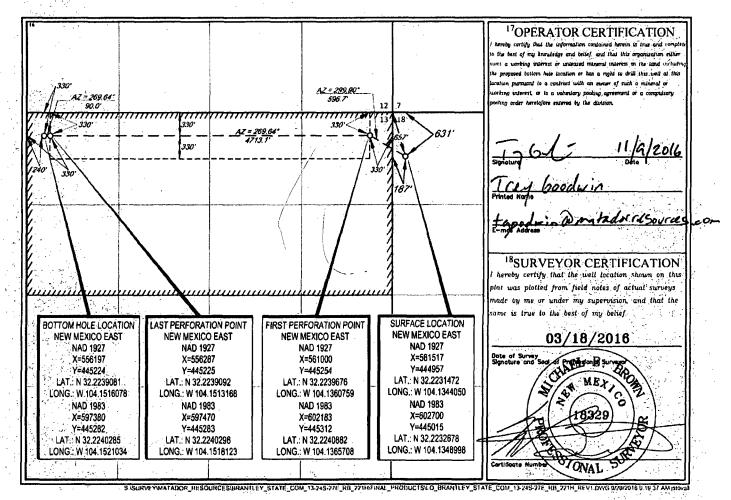
Submit one copy to appropriate

District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT API Number 30-015-43774 Black River, Wolfcamp, East (G) Well Number Property Code ³Property Name BRANTLEY STATE COM 13-24S-27E RB #221H OGRID No. Operator Name Elevation MATADOR PRODUCTION COMPANY 3089 228937 ¹⁰Surface Location Feet from the East/West line County UL or lot no. Section Township Lot Idn Feet from the Rang 24-S 631' NORTH 187' WEST **EDDY** D 18 28-E UL or let no. Township Range Lot Ide Pect from the North/South line Feet from the East/West line 240' WEST 24-S NORTH **EDDY** 13 27-E 330' Dedicated Acres Joint or Infill Order No. 320

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.



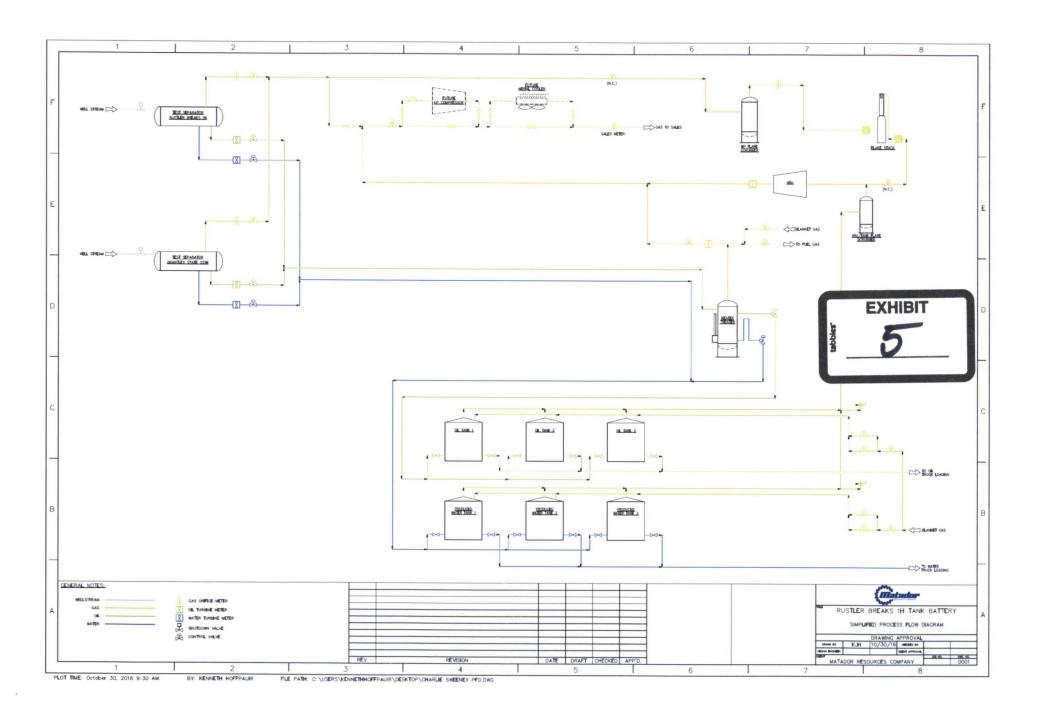


EXHIBIT 6

Application of Matador Production Company for administrative approval for off-lease measurement and approval to surface commingle (lease commingle) oil and gas production from the spacing units comprised of the S/2 of Section 12 and the N/2 of Section 13, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico.

AFFECTED PARTIES:

Alec G. McGonagill 1612 Westridge Rd. Carlsbad, NM 88220 7015 1520 0002 0439 2359

Michael Davison Baskett 8 Melvin St #1023 Gaithersburg, MD 20877 7015 1520 0002 0439 2328

Childs & Bishop Law Offices, Inc. 310 North Lincoln Odessa, TX 79761 7015 1520 0002 0439 2298

Commissioner of Public Lands State of New Mexico PO Box 1 148 Santa Fe, NM 87504-1148 7015 1520 0002 0439 2267

Francis F Beeman and Bettye J Beeman 1405-W Ural Drive Carlsbad, NM-88220-4064 7015 1520,0002 0439 2236

George: H Brantley and Nancy H Brantley 1304: West Riverside Drive Carlsbad; NM 88220 7015:1520:0002-0439-2212

Joe Beeman 7010 Ironton Ave., Apt. 511 Lubbock, TX 79424 7015 1520 0002 0439 2175

John E. Osborn c/o Geneva Osborn P.O. Box 486 Frederick, OK 73542 7015 1520 0002 0438 6167 B & G Royalties P.O. Box 376 Artesia, NM 88211-0376 7015 1520 0002 0439 2342

Brandy Michelle Beeman 1006 Dogwood Lane Carlsbad, NM 88220 7015 1520 0002 0439 2311

Clarence W. Ervin and Mary L. Ervin, husband and wife 4016 Jones St. Carlsbad, NM 88220 7015 1520 0002 0439 2281

Compound Properties, LLC P.O. Box 2990 Ruidoso, NM 88355-2990 7015 1520 0002 0439 2250

George O. Stribling 61 Avenida Del Sol Cedar Crest, NM 87008 7015 1520 0002 0439 2229

Hayhurst-Rook Family Educational Trust under Trust Agreement dated June 6, 2006 518 E. Orchard Carlsbad, NM 88220 7015 1520 0002 0439 2199

John D. Stribling 520 Ranchitos N.W. Albuquerque, NM 87114 7015 1520 0002 0439 2168

Kirby, Ratliff, Manning & Greak, Inc. c/o Louis M. Ratliff, Jr. 8 Firewood Ct.
The Hills, TX 78738
7015 1520 0002 0438 6150

Bettye J Beeman 1405 W Ural Drive Carlsbad, NM 88220-4064 7015 1520 0002 0439 2335

Carmex, Inc. P.O. Box 1718 Carlsbad, NM 88221 7015 1520 0002 0439 2304

Carmex, Inc PO Box 1718 Carlsbad, NM 88220-1718 7015 1520 0002 0439 2274

Douglas Helm Baskett
P. O. Box 83
Montezuma, NM 87731-0083
7015 1520 0002 0439 2243

George O. Stribling, Trustee for Margaret Stribling, Robert Cain, and Salem Stribling 6818 Academy Parkway West NE Albuquerque, NM 87114 7015 1520 0002 0439 2212

James C Wyman, Jr & Pauline E Wyman, Tres of James C Wyman & Pauline E Wymar Tr dtd 2/16/96 6142 Purple Aster Lane NE Albuquerque, NM 87111-8083 7015 1520 0002 0439 2182

John E. Hall III 4709 State Hwy 121, Suite 132 The Colony, TX 75056 7015 1520 0002 0439 2151

Klipstine & Hanratty
P.O. Box 1507
Carlsbad, NM 88221
7015 1520 0002 0438 6143

EXHIBIT 6

Application of Matador Production Company for administrative approval for off-lease measurement and approval to surface commingle (lease commingle) oil and gas production from the spacing units comprised of the S/2 of Section 12 and the N/2 of Section 13, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico.

AFFECTED PARTIES:

Klipstine & Hanratty c/o James W. Klipstine, Jr. 917 E. Green Acres Dr. Hobbs, NM 88240 7015 1520 0002 0438 6136

Margaret Stribling 520 Ranchitos N.W. Albuquerque, NM 87114 7015 1520 0002 0438 6105

Mark Allen Beeman P.O. Box 8255 Roswell, NM 88202 7015 1520 0002 0438 6075

McAlister Royalties LLC P. O. Box 1488 Midland, TX 79702-1488 7015 1520 0002 0438 6044

Patricia Ann Beeman Allen Trust 807 Alamosa Street Carlsbad, NM 88220-9490 7015 1520 0002 0438 6013

Robert B Beeman 1520 N Guadalupe Street Carlsbad, NM 88220 7015 1520 0002 0438 5986

Realeza Del Spear, LP P.O. Box 1684 Midland, TX 79702 7015 1520 0002 0438 5955

Sara Marie Baskett 6043 44th Avenue, NE Seattle, WA 98115-7513 7015 1520 0002 0438 5924 M44th LLC 52 Circle Dr N.W. Albuquerque, NM 87122 7015 1520 0002 0438 6129

Martha Joy Stribling 918 Parkland Cir. SE Albuquerque, NM 87108 7015 1520 0002 0438 6099

Mary Jo Ann Wyman 18011 Whispering Gables Lane Dallas, TX 75287-6653 7015 1520 0002 0438 6068

Muriel M Diescher, Trustee of the William L and Muriel M DiescherTrust 8 Suwannee CV Maumelle AR 72113-6521 7015 1520 0002 0438 6037

Peter A. Panagopoulos 1805 Sandy Lane Carlsbad, NM 88220 7015 1520 0002 0438 6006

Roberta Patterson Parker 205 Creekside East Drive Wilmington, NC 28411-6873 7015 1520 0002 0438 5979

Rolla R Hinkle III P. O. Box 2292 Roswell, NM 88202-2292 7015 1520 0002 0438 5948

Seminole Hospital d/b/a Memorial Hospital 209 NW 8th Seminole, TX 79360 7015 1520 0002 0438 5917 Madison M Hinkle P. O. Box 2292 Roswell, NM 88202-2292 7015 1520 0002 0438 6112

Mary Jo Beeman a/k/a Mary Jo Beeman a/k/a Mary Jo Dickerson, a single woman 708 Popular Loving, NM 88256 7015 1520 0002 0438 6082

Martin Scott Baskett 2647 Jefferson Street Eugene, OR 97405 7015 1520 0002 0438 6051

Norma Beeman 1006 Dogwood Lane Carlsbad, NM 88220 7015 1520 0002 0438 6020

Pecos Bend Royalties, LLLP 415 W. Wall Street, Suite 2207 Midland, TX 79701-4476 7015 1520 0002 0438 5993

R. C. Beveridge P. O. Box 993 Midland, TX 79702 7015 1520 0002 0438 5962

Ross Duncan Properties LLC P. O. Box 647 Artesia, NM 88211-0647 7015 1520 0002 0438 5931

Steven Stribling 5670 Iris Rd NE Albuquerque, NM 87144 7015 1520 0002 0438 5900

EXHIBIT 6

Application of Matador Production Company for administrative approval for off-lease measurement and approval to surface commingle (lease commingle) oil and gas production from the spacing units comprised of the S/2 of Section 12 and the N/2 of Section 13, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico.

AFFECTED PARTIES:

Successor Trustee of Martha G. Stribling, Trustee u/t/a dated September 24,1996 75 Circle Drive NE Albuquerque, NM 87122 7015 1520 0002 0438 5894

Tom Stribling, Trustee of the LTS Trust 75 Circle Drive NE Albuquerque, NM 87122 7015 1520 0002 0438 5863

The Beveridge Company 4305 N Garfield Suite 235 Midland, TX 79707-5533 7015 1520 0002 0438 5832

William L and Muriel M Diescher Irrevocable Trust John Diescher Succ Trustee 3946 Route II South Cortland, NY 13045 7015 1520 0002 0438 5801

Mulder Living Trust dated November 14, 1995, Antonius Emil Mulder and Eleanor B Mulder Trustees 1010 W 20th Avenue Eugene, OR 97405-2105 7015 1520 0002 0438 5771

Thomas B. Stribling, Trustee of the Thomas Luke Stribling Trust 75 Circle Drive NE Albuquerque, NM 87122 7015 1520 0002 0438 5887

Thomas B. Stribling and wife, Martha Stribling 520 Ranchitos Rd. NE Albuquerque, NM 87114 7015 1520 0002 0438 5856

Virginia Patterson Skinner 4620 Wieuca Rd NE, #16 Atlanta, GA 30342 7015 1520 0002 0438 5825

Wilke LTD Co. P.O. Box 1653 Artesia, NM 88211-1653 7015 1520 0002 0438 5795

Bertha Lorene Osborn Unknown Thomas Jack Gregory and Bonnie R. Gregory, husband and wife 404 W. Texas Carlsbad, NM 88220 7015 1520 0002 0438 5870

T L Rees P. O. Box 1007 Colorado City, TX 79512 7015 1520 0002 0438 5849

William F Beeman 405 Juanita Street Carlsbad, NM 88220-6230 7015 1520 0002 0438 5818

Word B Wilson Investments LF 110 W Louisiana, Ste 200 Midland, TX 79701 7015 1520 0002 0438 5788



Jordan L. Kessler Associate Phone (505) 988-4421 Fax (505) 983-6043 ilkessler@hollandhart.com

January 13, 2017

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Matador Production Company for administrative approval for offlease measurement and approval to surface commingle (lease commingle) oil and gas production from the spacing units comprised of the S/2 of Section 12 and the N/2 of Section 13, Township 24 South, Range 27 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:

Dana Arnold Matador Production Company 972-371-5284 darnold@matadorresources.com

Sincerely.

Jordan L. Kessler
ATTORNEY FOR

MATADOR PRODUCTION COMPANY

Production Summary Report API: 30-015-41775 RUSTLER BREAKS 12 24 27 #001H

		Production			
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	
	[98164] WC-015 G-07 S242712P;UPR	·			
2016	WOLFCAMP	Mar	2411	23090	
	[98164] WC-015 G-07 S242712P;UPR				
2016	WOLFCAMP	Apr	2310	22503	
	[98164] WC-015 G-07 S242712P;UPR				
2016	WOLFCAMP	May	2401	27512	
	[98164] WC-015 G-07 S242712P;UPR				
2016	WOLFCAMP	Jun	2110	21912	
	[98164] WC-015 G-07 S242712P;UPR				
2016	WOLFCAMP	Jul	2081	21698	
	[98164] WC-015 G-07 S242712P;UPR				
2016	WOLFCAMP	Aug	2080	21041	
сим			116103	992525	

McMillan, Michael, EMNRD

From:

Jordan L. Kessler < JLKessler@hollandhart.com>

Sent:

Friday, January 13, 2017 4:23 PM

To:

McMillan, Michael, EMNRD

Cc:

Lisamarie Ortiz

Subject:

RE: Matador Rustler 13 24S 27E RB Well No. 221H surface facility

Attachments:

RB 001H Production.xlsx

Mike,

Attached is production from the Rustler Breaks well. I don't think there is production from Brantley, but I will get back with you after I talk to Matador.

Happy long weekend! Jordan

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]

Sent: Friday, January 13, 2017 4:20 PM

To: Jordan L. Kessler **Cc:** Lisamarie Ortiz

Subject: Matador Rustler 13 24S 27E RB Well No. 221H surface facility

Jordan:

I need the last 6 month's monthly and cum production for both wells

Have a good weekend

Mike

MICHAEL A. MCMILLAN

Engineering Bureau, Oil Conservation Division 1220 south St. Francis Dr., Santa Fe NM 87505

O: 505.476.3448

Michael.McMillan@state.nm.us

MMCMILLAN (PETROLEUM ENGINEER FOR OCD)

Wells

Operator Data

OCD Review

OCD Only

Administration

OCD Permitting

Section: 12-24S-27E

Type:

Normal

Total Acres: 640

County:

Eddy (15)

D (D)	C (C)	B (B)	A (A)
State 1	State 1	State 1	State ¹
State ²	State ²	State ²	State ²
(15) 40	(15) 40	(15) 40	(15) 40
E (E)	F (F)	G (G)	H (H)
State 1	State 1	Fee 1	State 1
State ²	State 2	Fee 2	State ²
(15) 40	(15) 40	(15) 40	(15) 40
L (L)	K (K)	J (J)	1 (1)
Fee 1	Fee 1	Fee '	Fee 1
Fee ²	Fee 2	Fee 2	Fee 2
(15) 40	(15) 40	(15) 40	(15) 40
M (M)	N (N)	0 (0)	P (P)
Fee ¹	Fee !	. Fee 1	Fee ¹
Fee ²	Fee 2	Fee 2	Fee ²
(15) 40	(15) 40	(15) 40	(15) 40

Note 1 = Surface Owner Rights

Note 2 = Sub-Surface Mineral Rights

Land Restrictions

No land restrictions found for this section.

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> **EMNRD Home** OCD Main Page

MMCMILLAN (PETROLEUM ENGINEER FOR OCD)

Wells

Operator Data

OCD Review

OCD Only

Administration

OCD Permitting

Section: 13-24S-27E

Type:

Normal

Total Acres: 640

County:

Eddy (15)

D (D)		C (C)		B (B)		A (A)	
Fee ¹		Fee 1		Fee 1		Fee 1	
Fee 2		Fee 2		Fee 2	1.	Fee ²	
(15)	40	(15)	40	(15)	40	(15)	40
E (E)	\neg	F (F)		G (G)		H (H)	
State ¹		Fee 1		Fee 1		Fee ¹	
State ²		Fee 2		Fee 2		Fee 2	
(15)	40	(15)	40	(15)	40	(15)	40
	_		_				_
L (L)	_	K (K)	=	1 (1)		1 (1)	
L (L) State 1	,	K (K)		J (J)		l (l)	
1	``	į.				1 ''	
State ¹ State ²	40	State 1		Fee ¹	40	Fee 1	40
State ¹ State ²	40	State 1		Fee ¹	40	Fee ¹	40
State ¹ State ² (15)	40	State ¹ State ² (15)	40	Fee ¹ Fee ² (15)	40	Fee ¹ Fee ² (15)	40
State ¹ State ² (15) M (M)	40	State ¹ State ² (15)	40	Fee ¹ Fee ² (15)	40	Fee ¹ Fee ² (15)	40

Note 1 = Surface Owner Rights

Note 2 = Sub-Surface Mineral Rights

Land Restrictions

No land restrictions found for this section.

Return to Search

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> OCD Main Page OCD Rules

To: Alec G. McGonagill, his heirs and devisees, Francis F Beeman and Bettye J Beeman, their heirs and devisees, B& G Royalties, George O. Stribling, his heirs and devisees, Bettye J Beeman, her heirs and devisees, George O. Strubling, Trustee for Margaret Stribling, Robert Cain, and Salem Stribling, Bertha Lorene Osborn, her heirs and devisees, Brandy Michelle Beeman, her heirs and devisees, George H. Brantley and Nancy H. Brantley, their heirs and devisees, Carmex, Inc., Hayhurst-Rook Family Educational Trust under Trust Agreement dated June 6, 2006, Childs & Bishop Law Offices, Inc., Chance W. Ervin and Mary L. Ervin, their heirs and devisees, James C. Wyman, Jr. and Pauline E. Wyman, Tres of James C. Wyman and Pauline E. Wyman Trust dated 2/16/96, Clarence E. Ervin and Mary L. Ervin, their heirs and devisees, Carmex, Inc., Joe Beeman, his heirs and devisees, John D. Stribling, his heirs and devisees, John E. Hall III, his heirs and devisees, Compound Properties LLC, John E. Osborn, heirs and devisees, Douglass Helm Baskett, his heirs and devisees, Kirby, Ratliff, Manning & Greak, Inc., McAlister Royalties LLC, Klipstine & Hanratty, Michael Davison Baskett, his heirs and devisees, Mulder Living Trust dated November 14, 1995, Antonius Emul Mulder and Eleanor Mulder, Trustees, M44th LLC, Muriel M. Diescher, Trustee of the William L and Muriel M Diescher Trust, Madison M. Hinkle, her heirs and devisees, Norma Beeman, her heirs and devisees, Margaret Stribling, her heirs and devisees, Patricia Ann Beeman Allen Trust, Martha Joy Stribling, her heirs and devisees, Peter A. Panagopoulos, his heirs and devisees, Mary Jo Beeman, her heirs and devisees, Pecos Bend Royalties, LLLP, Mark Allen Beeman, his heirs and devisees, Robert B. Beeman, his heirs and devisees, Mary Jo Ann Wyman, her heirs and devisees, Roberta Patterson Parker, her heirs and devisees, Martin Scott Baskett, his heirs and devisees, R.C. Beveridge, their heirs and devisees, Realeza Del Spear, LP, Tom Stribling, Trustee of the LTS Trust, Rolla R Hinkle III, her heirs and devisees, Thomas B and Martha Stribling, their heirs and devisees, Ross Duncan Properties LLC, TL Rees, his heirs and devisees, Sara Marie Basket, her heirs and devisees, The Beveridge Company, Seminole Hospital, Memorial Hospital, Virginia Patterson Skinner, her heirs and devisees, Steven Stribling, his heirs and devisees, William F Beeman, his heirs and devisees, Successor Trustee of Martha G. Stribling Trustee u/t/a dated September 24, 1996, William L and Muriel M Diescher Irrevocable Trust, Thomas B. Stribling, Trustee of the Thomas Luke Stribling Trust, Wilke LTD Co., Thomas Jack Gregory and Bonnie R. Gregory, their heirs and devisees, Word B Wilson Investments LP, Zia Royalty LLC, and any unknown person who has a mineral interest in the N/2 of Section 13 and the S/2 of Section 12, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

Application of Matador Production Company for administrative approval for off-lease measurement and approval to surface lease commingle oil and gas production from the Black River; Wolfcamp, East (Gas) Pool (Pool Code 97442) from all existing and future wells and existing and future leases within the spacing units comprised of the S/2 of Section 12 and the N/2 of Section 13, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. Pursuant to 19.15.12.10(C)(4)(g), Matador also seeks

authority to commingle production into the DLK Black River South Trunk Line from future leases with notice provided only to interest owners within future leases. Matador seeks approval to surface commingle oil and gas production at a common tank battery from the Black River; Wolfcamp, East (Gas) Pool (Pool Code 97442) for all existing and future wells at a surface facility located in the SE/4 SE/4 (Unit P) of Section 12. Any objection to this application must be filed in writing within twenty days from date of publication with the applicant and the New Mexico Oil Conservation Division, 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 Dana R. Arnold, 5400 LBJ Freeway, Suite 1500, Dallas, TX 75240, (972) 371-5284, darnold@matadorresources.com.