

DISTRICT I
P. O. Box 1980
Hobbs, NM 88240

DISTRICT II
P. O. Drawer DD
Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd
Aztec, NM 87410

OIL CONSERVATION DIVISION

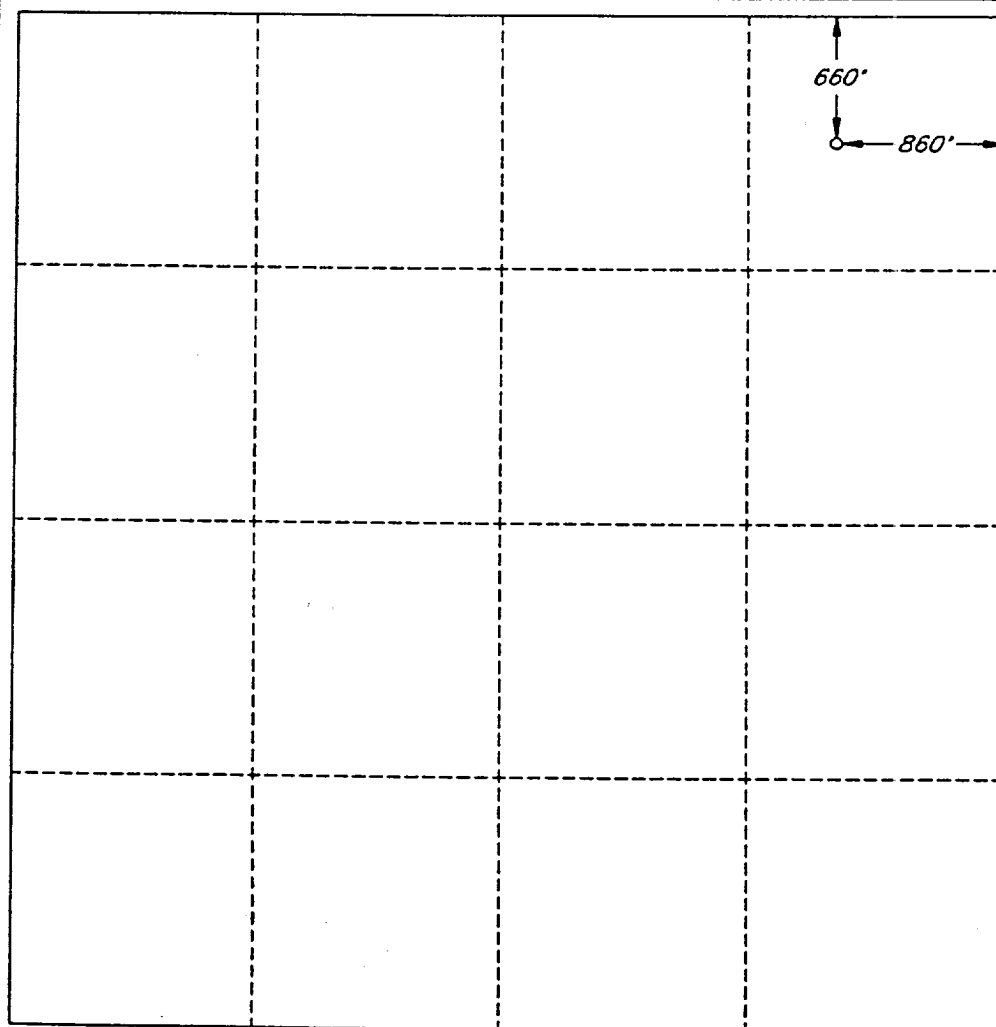
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the section.

Operator MATADOR OPERATING COMPANY			Lease JULIA '30' FEDERAL COM.		Well No. #1
Unit Letter A	Section 30	Township 15 SOUTH	Range 28 EAST, N.M.P.M.	County CHAVES	
Actual Footage Location of Well					
660 feet from the		NORTH	line and	660 feet from the	EAST line
Ground Level Elev. 3629'	Producing Formation		Pool	Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all the owners been consolidated by communitization, unitization, forced-pooling, etc.?
☐ Yes ☐ No If answer is "yes", type of consolidation _____
If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the reverse side of this form if necessary.) _____
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the division.



OPERATOR CERTIFICATION

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

Signature
R. F. Burke

Printed Name
R. F. Burke

Position
Operations Manager

Company
Matador Operating Company

Date
October 26, 1993

SURVEYOR CERTIFICATION

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 and correct to the best of my knowledge and belief.

Date Surveyed
OCTOBER 21, 1993

Signature and Seal of Professional Surveyor
V. L. Bezner
NO. 7920

Certificate No.
V. L. BEZNER R.P.S. #7920

cls/99736/99NW

APPLICATION FOR PERMIT TO DRILL
MATADOR OPERATING CORPORATION
Julia 30 Federal Com #1
660' FNL 860' FEL
Sec 30-T15S-R28E
Chaves County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, Matador Operating Company submits the following items of pertinent information in accordance with Onshore Oil and Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. The geologic surface formation is of Permian age.
2. Estimated tops of geologic markers are as follows:

<u>Queen</u>	<u>+2530'</u>	<u>Atoka</u>	<u>-5050'</u>
<u>San Andres</u>	<u>+1690'</u>	<u>Morrow</u>	<u>-5250'</u>
<u>Abo</u>	<u>-1675'</u>	<u>Chester</u>	<u>-5430'</u>

3. The estimated depths at which water, oil, or gas formation are expected to be encountered:

* - water:	<u>150' - 300'</u>	
** - oil or gas:	<u>Atoka</u>	<u>8687'</u>
	<u>Morrow</u>	<u>8887'</u>
	<u>Chester</u>	<u>9067'</u>

* Ground water to be protected by 13-3/8" surface casing with cement circulated to surface.

** Potentially productive horizons to be protected by 4-1/2" production casing with cement tied back to approximately 8300' on bottom, and 5000' on top of a 2-stage tool set at approximately 6000'.

4. Proposed Casing Program: See form 3160-3 and Exhibit D.
5. Pressure Control Equipment: See Exhibit F.
6. Mud Program: See Exhibit E.
7. Auxiliary Equipment: Upper Kelly Cock, Lower Kelly Cock, Full Opening Stabbing Valve, Flow Sensor, PVT.
8. Testing, Logging, and Coring Programs
 - DST's: None anticipated
 - Logging: 1-man mud logging unit from 8300' to TD.

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- Electric Logs: Dual Induction Laterolog
Neutron Density Porosity Log
Gamma Ray/Caliper log

No coring is anticipated.

9. Abnormal Pressures, Temperatures, or other Hazards:

- No abnormal pressures, temperatures or hazards
are anticipated in the drilling of this well.

10. Anticipated Starting Date: ASAP

SURFACE USE PLAN
MATADOR OPERATING COMPANY
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Chaves County, New Mexico

1. EXISTING ROADS - Area map, Exhibit "A", is a reproduction of the appropriate part of the U.S.G.S. New Mexico 7-1/2 minutes quadrangle. Existing roads are shown on the exhibit and the road to be used on the referenced well is marked. All roads shall be maintained in a condition equal to that which existed prior to the start of construction.
 - A. Exhibit "A" shows the proposed development well site as staked.
 - B. Directions: From jct. of S.H. 507 & S.H. 2 in Lake Arthur, go east 3.0 miles on S.H. 507, thence over 2 lane bridge and go easterly 2.0 miles on lease road, thence east 4.5 miles on Ratcamp Road, thence easterly 2.1 miles on lease road, thence northeast 0.3 mile on lease road, thence north 1.0 mile to a point ± 1050' southwest of the location.
2. PLANNED ACCESS ROADS - Approximately 1068' of new lease road beginning at the existing lease road and extending north-easterly to the well location. From the south lease line the new section of road will require a federal right-of-way and said right-of-way is here-in applied for.
 - A. If necessary the new section will be surfaced with a minimum of 4" of caliche obtained from the well site. In any event the new section of road will be brought to BLM specifications at such time as this well is determined to be a producer.
 - B. No culverts will be used.
 - C. Road work on the existing road will only be as a direct response to weather conditions and any corresponding deterioration.
 - D. _____

SURFACE USE PLAN
MATADOR OPERATING COMPANY
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Chaves County, New Mexico
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3. LOCATION OF EXISTING WELLS ON A ONE-MILE RADIUS
 - A. Water wells - None.
 - B. Disposal wells - None.
 - C. Drilling wells - None.
 - D. Producing wells - As shown on Exhibit "C".
 - E. Abandoned wells - As shown on Exhibit "C".
4. If upon completion, the well is a producer, Matador Operating Company will furnish maps or plats showing On Well Pad Facilities, and Off Well Pad Facilities (if needed) on a Sundry Notice before construction of these facilities starts.
5. LOCATION AND TYPE OF WATER SUPPLY
Water will be purchased locally from a private source and trucked over the access road or piped in flexible lines laid on top of the ground.
6. SOURCE OF CONSTRUCTION MATERIALS
If needed, construction materials will be obtained from the drill site's excavations, or from a local source. These materials will be transported over the access route as shown in Exhibit "A".
7. METHODS FOR HANDLING WASTE DISPOSAL.
 - A.
 1. Drill cuttings will be disposed of in the reserve pit.
 2. Trash, waste paper, and garbage will be contained in a fenced trash trailer to prevent wind-scattering during storage. When the rig moves out, all trash and debris will be hauled to an approved land-fill site.
 3. Salts remaining after completion of the well will be picked up by the supplier, including broken sacks.

SURFACE USE PLAN
MATADOR OPERATING COMPANY
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4. Sewage from trailer houses will drain into holes with minimum depth of 10'00". These holes will be covered during drilling and back-filled upon completion. A "porta-john" will be provided for the rig crews. This will be properly maintained during the drilling operations and removed upon completion of the well.
5. Chemicals remaining after completion of the well will be stored in the manufacturer's containers and picked up by the supplier.
- B. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for back-filling. In the event drilling fluids will not be evaporated in a reasonable period of time, they will be transported by a tank truck to a state approved disposal site.

Water produced during testing of the well will be disposed of in the reserve pit. Oil produced during testing of the well will be stored in test tanks until sold and hauled from the site.

8. ANCILLARY FACILITIES

No camps or airstrips will be constructed.

9. WELL SITE LAYOUT

- A. Exhibit "B" (Scale 1" = 50') shows the proposed well site layout.
- B. This exhibit indicates proposed location of the reserve pits and trash trailer.
- C. Mud pits in the active circulating system will be steel pits and the reserve pit is proposed to be lined as anticipated subsurface conditions encountered during pit construction indicate that lining is needed for lateral containment of fluids.
- D. If needed, the reserve pit is to be lined with a polyethylene liner. The pit liner will be a minimum of 6 mils thick. The pit liner will extend a minimum of 2'00" over the reserve pit dikes where the liner will be

SURFACE USE PLAN
MATADOR OPERATING COMPANY
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anchored down.

- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or dry hole.

In either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be levelled and contoured to conform to the original and surrounding area as closely as is possible. Drainage system, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location pad and surface facilities. After the area has been shaped and contoured, topsoil from the soil pits will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

11. OTHER INFORMATION

- A. Description of topography, vegetation & soils.
The topography is rolling terrain with vegetation of
sage brush and native grass. The soils are clayey sand
over a caliche base.

SURFACE USE PLAN
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- B. Description of surface use and address of leasee.
The surface is used mainly to access producing wells in the area and minimal grazing for livestock. It is administered by the BLM and is leased to A. J. Losee, P. O. Box 644, Artesia, New Mexico.
- C. An archaeological study has been conducted for the location and road. The report will be submitted under separate cover.
- D. Description of buildings in area.
There are no building of any kind in the area.

12. OPERATOR'S REPRESENTATIVE

Matador Operating Company's field representative for contact regarding compliance with the Surface Use Plan is:

Before, during, and after construction:

R. F. Burke

415 W. Wall, Suite 1101

Midland, TX 79701

Office: 915-687-5955

Res: 915-684-6662

Mobile: 915-559-9712

13. CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Matador Operating Company and its contractors/subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

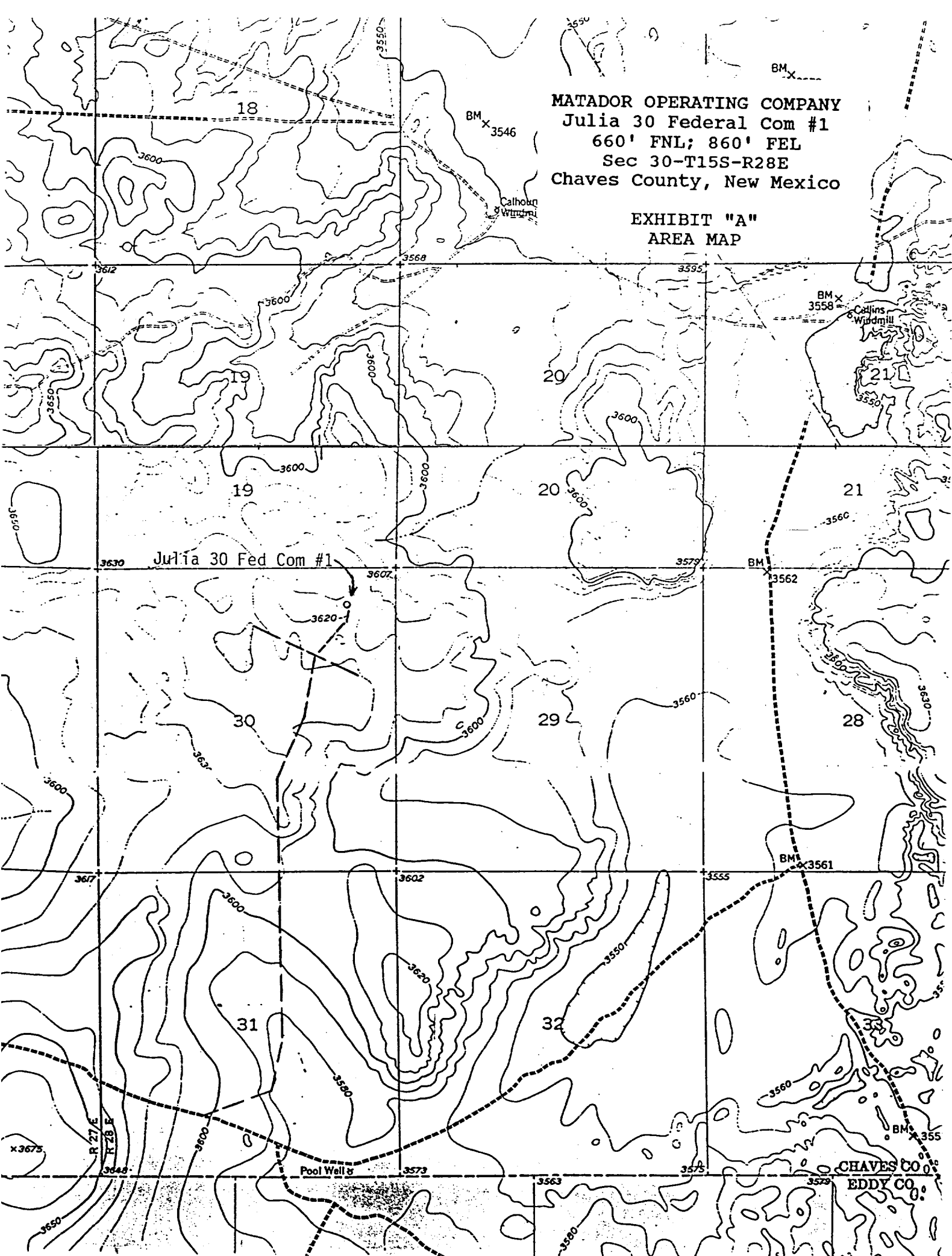
Name: 

Title: Operations Manager

Date: 11-1-93

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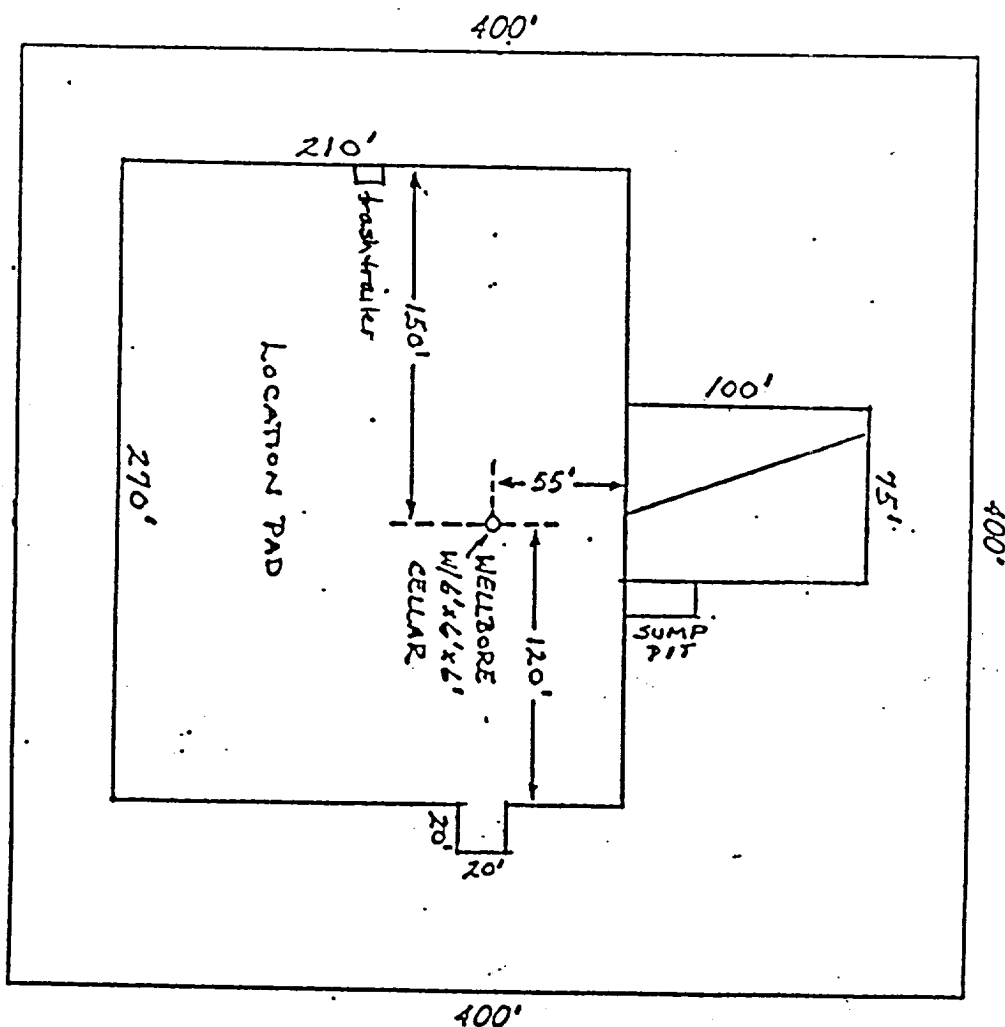
EXHIBIT "A"
AREA MAP



MATADOR OPERATING COMPANY
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EXHIBIT "B"
WELL SITE LAYOUT



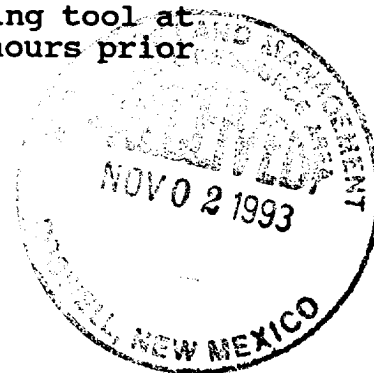


SUMMARY

Drilling, Drill Stem Tests, Casing and Cement Program

1. Drill 17-1/2" hole to \pm 400'. Will be in Yates at surface.
2. Cement 13-3/8", 48#, H-40 casing w/ 425 sx Class "C" cement containing 2% CaCl_2 and 1/4# /sx cellophane flakes. Run Texas Pattern Shoe with an insert float valve on top of shoe joint. Weld shoe and first collar. Use one plug to displace cement.
3. Nipple up and install BOP's. Test casing to 500 psi after WOC 12 hours and drill out cement.
4. Drill 12-1/4" hole to 1800' in Queen.
5. Cement 8-5/8" 24#, K-55 casing with 750 sx 65/35 paz, Class "C" containing 6% gel, 9#/sx salt, and 1/4# /sx cellophane flakes, and and tail in w/ 150 sx Class "C" with 2% CaCl_2 . Run guide shoe and flapper type auto-fill float collar on 1st collar above shoe, using 6 centralizers and one rubber plug to displace cement.
6. Nipple up BOP's. Test casing to 1500 psi for 30 minutes after WOC 12 hours and drill out cement.
7. Drill 7-7/8" hole to TD @ \pm 9300'. A fresh water mud system will be used to 1500'. At that point the system will be changed over to a cut brine water with chlorides 30000-40000 ppm to 1800'. Drill out intermediate with fresh water and maintenance additives to approximately 8000', at which time the system will be mudded up to a polymer/starch system for formation protection. See attached mud program for details. Pit levelers and flow line sensors will be utilized from 8000' to TD. No drill stem tests are anticipated. A mud logging unit will be on location @ 8300' to assist in evaluating samples and shows for exact geologic intervals. Run Formation Density-Compensated Neutron Gamma Ray log, Dual Laterolog, and Caliper.
8. Run 4-1/2", 10.5# and 11.6#, casing and cement with 200 sx 50/50 poz, Class "C" with 2% gel, .6% fluid loss additive, and 5#/sx salt. Run 2-stage cementing tool at \pm 6000'. Circulate stage tool a minimum of 4 hours prior

Exhibit D
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to cementing the second stage with 250 sx same cement. Use float shoe and float collar with 10-12 centralizers on each stage where necessary. Use top rubber plug and displace with clean, fresh water treated with 2% KCL.

9. Perforations, acid job, and additional stimulation to be determined after completion.



Drilling Fluid Program

Surface: Spud with fresh water gel. Add lime for 36-40 sec. viscosity. Use paper and other non-toxic LCM to combat seepage and lost circulation. No major problems are anticipated through this interval.

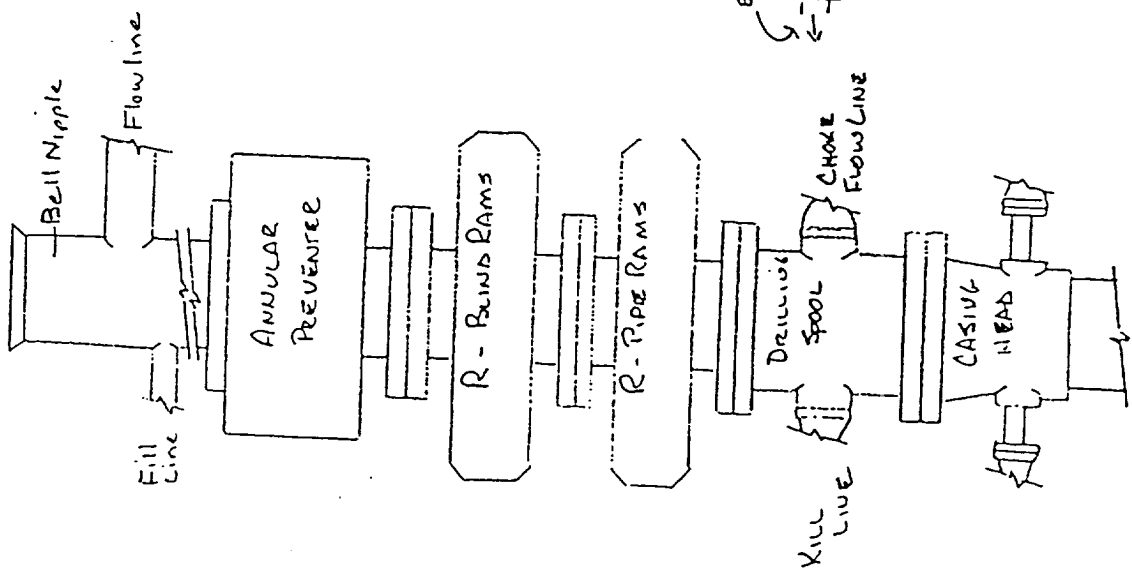
Intermediate: Drill out from under surface casing with fresh water, allowing the red beds to build native viscosity to 32-34 sec. Prior to drilling the salt section at approximately 1595', add brine water to minimize washout in the salt section. Use paper and other non-toxic LCM to combat seepage as needed.

Production: Drill out from under intermediate with fresh water. Control pH with caustic soda; using paper and other non-toxic LCM to control any seepage. Use sweeps of higher viscosity for hole cleaning as needed. Change to polymer/starch system at approximately 8000' to mud up and provide formation protection. Use paper and other non-toxic LCM for seepages and/or losses as needed. Sweep hole prior to TD with a 30-50 barrel high-vis pill to clean hole.

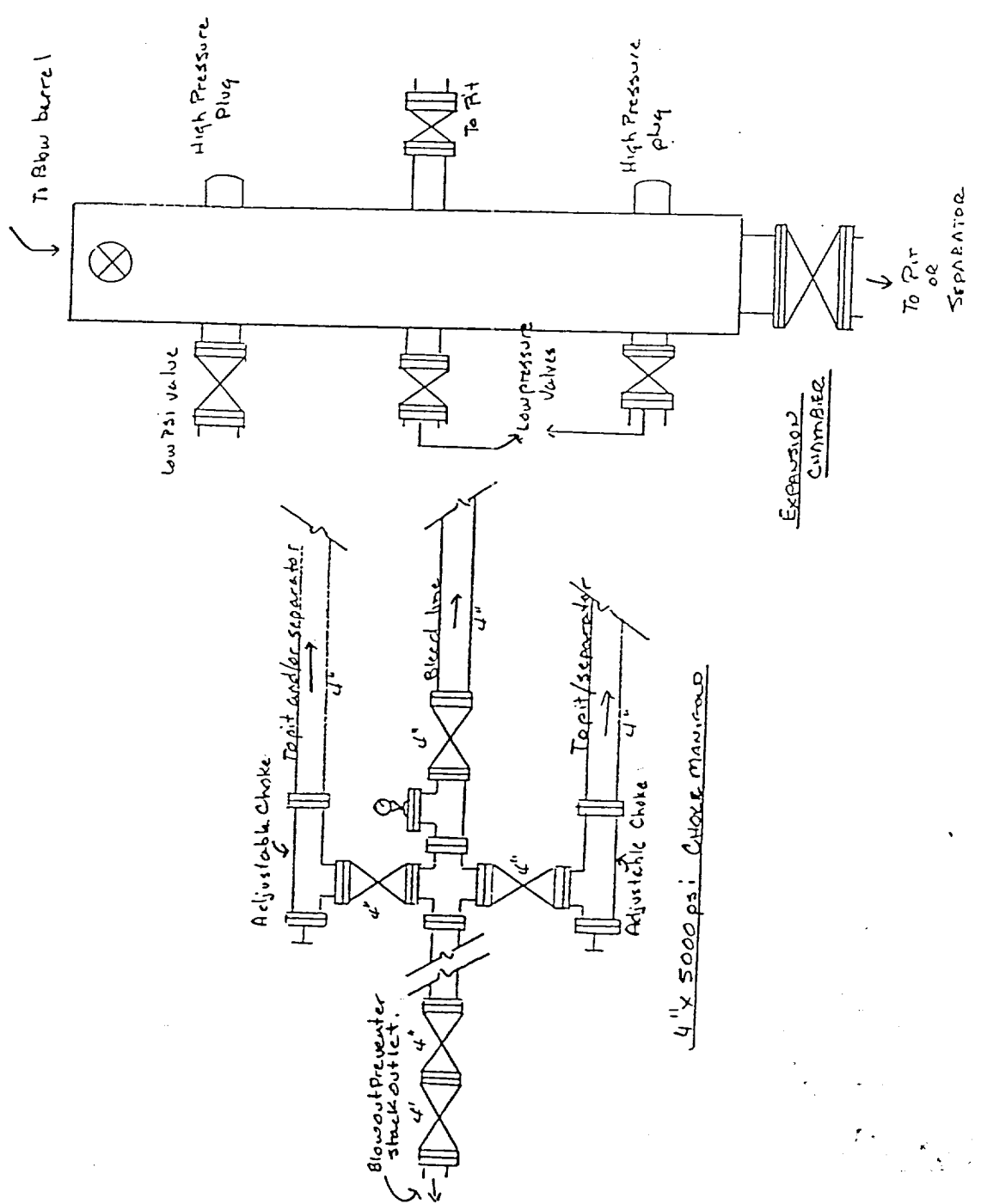
Exhibit E
Julia 30 Fed Com #1
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EXHIBIT "F"
 BLOWOUT PREVENTER



5000 PSI
 WORKING PRESSURE

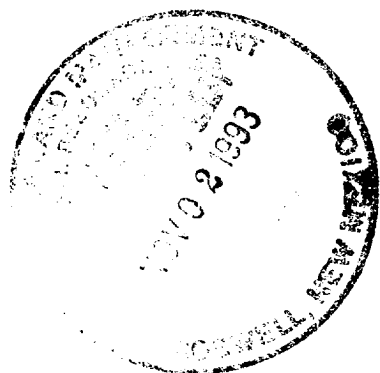


State: New Mexico

TD: 9.300'

GL: 3624'

[illegible]



MATADOR PETROLEUM CORPORATION

415 W. WALL, SUITE 1101
MIDLAND, TX 79701
(915) 687-5955

November 1, 1993



U. S. Department of Interior
Bureau of Land Management
P. O. Drawer 1857
Roswell, NM 88202-1857

Attention: Minerals

Re: Matador Operating Company
Julia 30 Fed Com #1
Sec 30-T15S-R28E
Chaves County, New Mexico

To Whom it May Concern:

Enclosed please find the Application to Drill for the above referenced well along with five additional copies. Archaeological studies performed by Human Systems Research will be sent under separate cover as soon as possible.

Please note the well name change from the Notice of Staking submitted October 1, 1993.

Should you have any questions or problems that arise concerning this APD, please call at the indicated office number in Midland.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. F. Burke".

R. F. Burke
Operations Manager

RFB/pl
Enclosures