

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR DEEPEN**1A. TYPE OF WORK**DRILL ☒DEEPEN ☐**B. TYPE OF WELL**OIL WELL ☒GAS WELL ☐OTHER ☐**2. NAME OF OPERATOR**

MATADOR OPERATING COMPANY

3. ADDRESS AND TELEPHONE NO.

8340 Meadow Rd., Suite 158, Dallas, TX 75231 (214) 987-3650

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface 1617' FSL & 1810' FEL

At proposed prod. zone

1963' FNL & 1810' FEL (1700' Horizontal Drainhole)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

23 mi South of Carlsbad, NM

15. DISTANCE FROM PROPOSED*LOCATION TO NEAREST 1617' - Lease
PROPERTY OR LEASE LINE, FT. 297' - Drilg Unit
(Also to nearest drilg. unit line, if any)**18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.**

163'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3279' GL

23.**PROPOSED CASING AND****CARLSBAD CONTROLLED WATER BASIN**

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8 J55	24	250'	165 sx "C" - Circulated
7 7/8"	5 1/2 J55	15.50	2900'	290 sx 65:35 "C": PoZ w/6% GEL + 95 sx "C" w/ Additives

The operator proposes to drill to a depth sufficient to test the Upper Cherry Canyon sand for oil. If sufficiently productive, 5-1/2" casing will be cemented above the pay, and a short radius ($\pm 90^\circ$) horizontal drainhole will be drilled with $\pm 1700'$ lateral extension to the north at an expected TVD of 3010'. If the zone is judged productive, but not justifying a horizontal completion, 5-1/2" casing will be cemented at TD. If non-productive, the well will be plugged and abandoned in a manner consistent with federal regulations. Specific programs as per Onshore Oil & Gas Order #1 are outlined in the following attachments.

Well Location & Acreage Dedication Plat
Application for Permit to Drill (Drilling Program)
Surface Use Plan
Exhibit A-1, Area Map
Exhibit A-2, Topographic Map
Exhibit B, Wellsite Plan

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED - DD**

Exhibit C, Production Map
Exhibit D, Blowout Preventer Requirements
Exhibit E, Blowout Preventer Schematic
Exhibit F, Choke Manifold
Well Plan Outline

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Michael G. Ernest

SIGNED

TITLE Petroleum Engineer

DATE 5-27-97

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

(ORIG. SGD.) TONY L. FERGUSON

ADM, MINERALS

APPROVED BY

TITLE

DATE

JUN 25 1997

Application Not Approved
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statement or claim.

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0360979A for 10/11/99