

ID NO. 350353

NSL - 8768

Revised March 23, 2017

| | | | |
|---------------------------|-----------|-------|-------------------------------|
| RECEIVED: 06/03/24 | REVIEWER: | TYPE: | APP NO: pLEL2416358104 |
|---------------------------|-----------|-------|-------------------------------|

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

Applicant: Matador Production Company **OGRID Number:** 228937
Well Name: Roy Turner 21 16S 37E State #1 **API:** Pending
Pool: Lovington; Upper Penn, Northeast **Pool Code:** 40760

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☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ 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.

Kyle Perkins

 Print or Type Name

5/30/24

 Date

972-371-5202

 Phone Number

Kperkins@matadorresources.com

 e-mail Address

Kyle Perkins

 Signature

Matador Production Company

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

Voice 972.371.5202

kperkins@matadorresources.com

Kyle Perkins

Senior Vice President and Assistant General Counsel

May 30, 2024

VIA CERTIFIED MAIL/RRR

TO AFFECTED PARTIES

Re: Application for Administrative Approval of Non-Standard Location for Matador's Roy Turner 21-16S-37E State #1 (API 30-025-pending) – Lovington; Upper Penn, Northeast (Pool Code 40760).

To Whom It May Concern,

Enclosed is a copy of the above-referenced application that 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 with 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 give me a call at your convenience.

Sincerely,



Kyle Perkins

Matador Production Company

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

Voice 972.371.5202

kperkins@matadorresources.com

Kyle Perkins
Senior Vice President and Assistant General Counsel

May 30, 2024

VIA ONLINE FILING

Mr. Leonard R. Lowe
Engineering Bureau
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Application for Administrative Approval of Non-Standard Location for Matador's Roy Turner 21-16S-37E State #1 (API 30-025-pending) – Lovington; Upper Penn, Northeast (Pool Code 40760).

Dear Mr. Lowe,

Matador Production Company respectfully requests administrative approval of a non-standard location for our Roy Turner 21-16S-37E State #1 (API 30-025-pending), to be completed in the Lovington; Upper Penn, Northeast (Pool Code 40760).

Matador's Roy Turner 21-16S-37E State #1 (API 30-025-pending) is a directional well to be completed only at the bottom hole location. The special pool rules for the Lovington; Upper Penn, Northeast (Pool Code 40760) were originally created in Division Order R-3816. Pursuant to those special pool rules:

- a. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2 or W/2 of a governmental quarter section; and
- b. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

As set forth below, Matador's application requests a non-standard location because the proposed bottom hole is located outside 150 feet of the center of the subject governmental quarter-quarter section.

Mr. Leonard R. Lowe
May 30, 2024
Page 2

1. Well name: Roy Turner 21-16S-37E State #1 (API 30-025-pending)
2. Pool: Lovington; Upper Penn, Northeast (Pool Code 40760)
3. Spacing Unit: S/2 NE/4 of Section 21, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico.

This is a standard spacing unit in this pool pursuant to Division Order R-3816. A copy of a form C102 for the well is enclosed. The well will be the first well drilled in this spacing unit.

4. Acreage in Spacing Unit: 80 acres.
5. Directional Well Location:
 - a. Directional Well Surface Location: 1,925' FNL, 1,140' FEL of Section 21, T16S, R37E, Lea County, New Mexico.
 - b. Directional Well Bottom Hole Location: 1,236' FEL, 1,775' FNL of Section 21, T16S, R37E, Lea County, New Mexico.
 - c. Directional Well's Completed Interval: The well's entire completed interval will be located at the bottom hole location; specifically, 1,236' FEL, 1,775' FNL of Section 21, T16S, R37E, Lea County, New Mexico.
6. Matador requests this non-standard location because it will allow for the most efficient development of this acreage, thereby preventing waste. Specifically, as set forth in the attached letter from Matador's Senior Vice President of Geosciences, 3D seismic has revealed discrete reservoirs within the Strawn formation in this area, including the discrete reservoir Matador is targeting with this proposed well. Matador's proposed bottom hole location—1,236' FEL, 1,775' FNL of Section 21, T16S, R37E—is located where Matador believes it can most efficiently drain the discrete reservoir identified on this acreage. Matador does not believe it can efficiently drain this reservoir from a standard location within 150 feet of the center of a quarter-quarter section, and believes that attempting to do so would leave significant production volumes in place and result in waste. Accordingly, the granting of Matador's application would prevent this waste and lead to the most efficient development of this acreage.
7. The well is in an oil pool and we anticipate the well will produce both oil and gas.

Mr. Leonard R. Lowe
May 30, 2024
Page 3

8. Pursuant to NMAC 19.15.4.12(B)(a), the affected persons in this circumstance are those located in the adjoining quarter section because the spacing unit that is the subject of this application is greater than 40 acres under the special pool rules. Accordingly, the area of encroachment is the N/2 NE/4 of Section 21, T16S, R37E, Lea County, New Mexico, as well as the internal spacing unit tract of the SW/4 NE/4 of Section 21, T16S, R37E, Lea County, New Mexico, to the extent required.

The NE/4 of Section 21, T16S, R37E, Lea County, New Mexico is part of one State tract. This State tract is leased to Matador's affiliate, Greyhound Resources, LLC, which owns 100% of the working interest and thus owns 100% of the working interest in the N/2 NE/4 and SW/4 NE/4 of Section 21, T16S, R37E, Lea County, New Mexico.

Attached hereto is a signed statement from Greyhound Resources, LLC acknowledging receipt of this application and waiving any protest to this application. Matador will also mail a copy of this application to the New Mexico State Land Office, as shown on the enclosed exhibits.

If you would like any additional information regarding this application, please let me know.

Sincerely,



Kyle Perkins

DISTRICT I
1626 N. FRENCH DR., BOBBS, NM 88240
Phone: (505) 393-6101 Fax: (505) 393-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-0720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 478-3460 Fax: (505) 478-3482

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 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 | Pool Code 40760 | Pool Name Lovington; Upper Penn, Northeast |
| Property Code | Property Name ROY TURNER 21-16S-37E STATE | Well Number 1 |
| OGRID No. 128937 | Operator Name MATADOR PRODUCTION COMPANY | Elevation 3797.6' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| H | 21 | 16-S | 37-E | | 1925 | NORTH | 1140 | EAST | LEA |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| H | 21 | 16-S | 37-E | | 1775 | NORTH | 1236 | EAST | LEA |

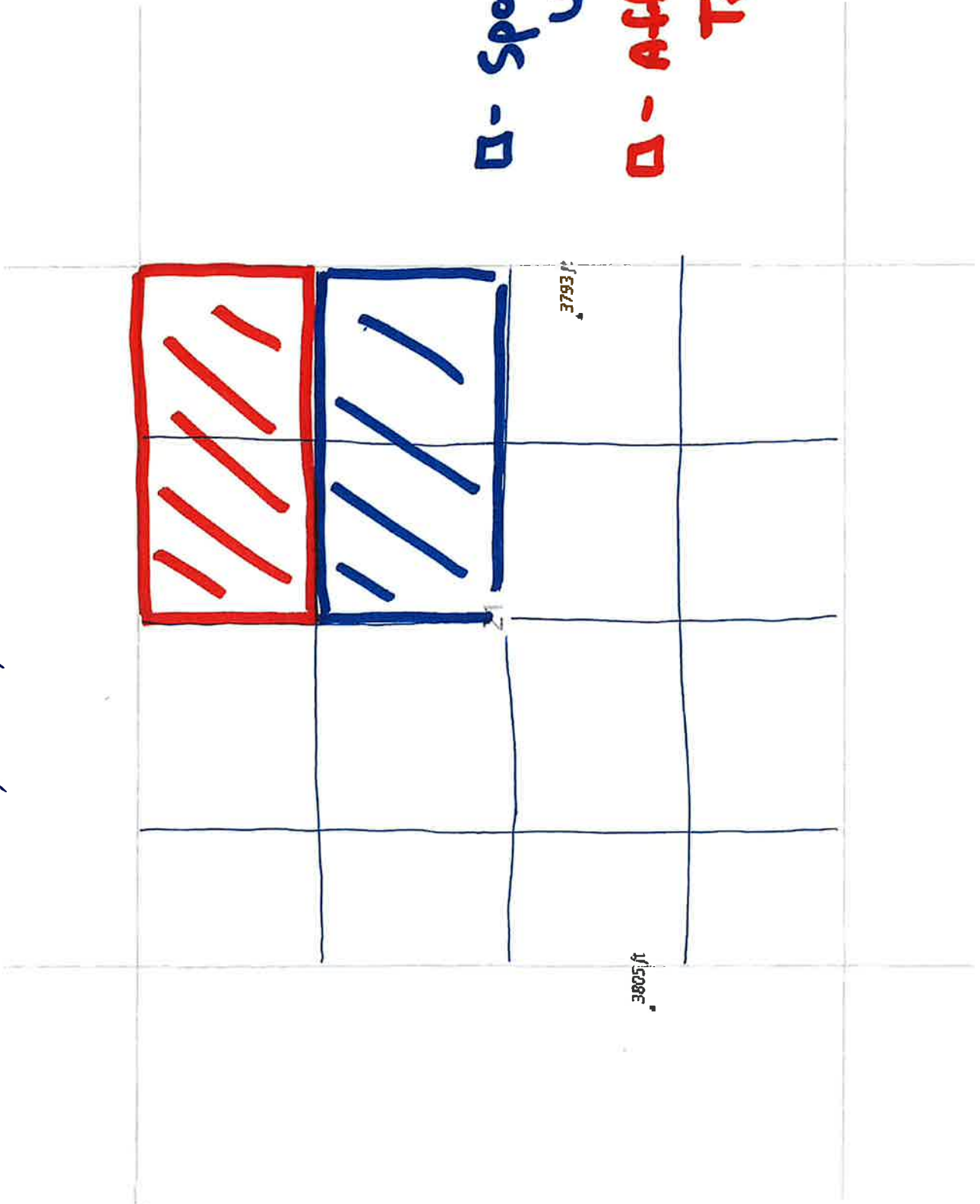
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| 80 | | | |

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

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--------------|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|--|--|
| <p>POINT LEGEND NAD 27</p> <table border="1"> <tr><td>1</td><td>Y=696854.6 N</td></tr> <tr><td>2</td><td>X=832361.5 E</td></tr> <tr><td>3</td><td>Y=696855.0 N</td></tr> <tr><td>4</td><td>X=832362.1 E</td></tr> <tr><td>5</td><td>Y=696854.9 N</td></tr> <tr><td>6</td><td>X=832363.1 E</td></tr> <tr><td>7</td><td>Y=696853.7 N</td></tr> <tr><td>8</td><td>X=832371.0 E</td></tr> </table> <p>POINT LEGEND NAD 83</p> <table border="1"> <tr><td>1</td><td>Y=696918.0 N</td></tr> <tr><td>2</td><td>X=873539.4 E</td></tr> <tr><td>3</td><td>Y=696928.4 N</td></tr> <tr><td>4</td><td>X=874680.0 E</td></tr> <tr><td>5</td><td>Y=696909.3 N</td></tr> <tr><td>6</td><td>X=874871.1 E</td></tr> <tr><td>7</td><td>Y=695595.2 N</td></tr> <tr><td>8</td><td>X=873549.0 E</td></tr> </table> | 1 | Y=696854.6 N | 2 | X=832361.5 E | 3 | Y=696855.0 N | 4 | X=832362.1 E | 5 | Y=696854.9 N | 6 | X=832363.1 E | 7 | Y=696853.7 N | 8 | X=832371.0 E | 1 | Y=696918.0 N | 2 | X=873539.4 E | 3 | Y=696928.4 N | 4 | X=874680.0 E | 5 | Y=696909.3 N | 6 | X=874871.1 E | 7 | Y=695595.2 N | 8 | X=873549.0 E | | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> 5/22/24 Signature Date Reece Clark Printed Name reece.clark@matadoreservices.com E-mail Address</p> <p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>APRIL 1, 2024 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>[Signature]</i> 5/8/24 Certificate No. CHAD HARCROW 17777 W.O. #24-463 DRAWN BY: WN</p> |
| 1 | Y=696854.6 N | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | X=832361.5 E | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Y=696855.0 N | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | X=832362.1 E | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Y=696854.9 N | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | X=832363.1 E | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Y=696853.7 N | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | X=832371.0 E | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Y=696918.0 N | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | X=873539.4 E | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Y=696928.4 N | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | X=874680.0 E | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Y=696909.3 N | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | X=874871.1 E | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Y=695595.2 N | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | X=873549.0 E | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

ROY TURNER 21-16S-37E State #1

Section 21, 16 S, 37 E



□ - Special
Unit

□ - Affected
Tract

| Roy Turner 21-16S-37E State #1 | | | | | | |
|--------------------------------|---------------|--|---------------|--------------------|-----------------------|-----------------------------|
| Affected Party | Type | Ownership Location | Address | City, State, Zip | Date Letter Sent | Tracking Number |
| New Mexico State Land Office | Mineral Owner | N2NE4 and SW4NE4 of Section 21, T16S, R37E | P.O. Box 1148 | Santa Fe, NM 87504 | Monday, June 03, 2024 | 9488 9090 0027 6006 6146 78 |
| | | | | | | |
| | | | | | | |

Matador Production Company

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

Voice 972.371.5476

aparker@matadorresources.com

Andrew Parker
Senior Vice President of Geosciences

May 20, 2024

VIA ONLINE FILING

Mr. Leonard R. Lowe
Engineering Bureau
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

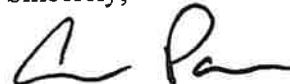
Re: Application for Administrative Approval of Non-Standard Location for Matador's Roy Turner 21-16S-37E State #1 (API 30-025-pending) – Lovington; Upper Penn, Northeast (Pool Code 40760).

Dear Mr. Lowe,

I am writing in support of Matador Production Company's application for approval of a non-standard location for our Roy Turner 21-16S-37E State #1 (API 30-025-pending), to be completed in the Lovington; Upper Penn, Northeast (Pool Code 40760).

Matador has access to 3D seismic data covering the Strawn formation on this acreage. Based on our interpretation of that 3D seismic data, we have found that there are discrete reservoirs within the Strawn formation in this area, including the discrete reservoir Matador is targeting with this proposed well. Matador's proposed bottom hole location—1,236' FEL, 1,775' FNL of Section 21, T16S, R37E, Lea County, New Mexico—is located where we believe we can most efficiently drain the discrete reservoir we have identified on this acreage. We do not believe we can efficiently drain this reservoir from a standard location within 150 feet of the center of a quarter-quarter section, and we believe that attempting to do so would leave significant production volumes in place and result in waste. The granting of Matador's application would prevent this waste and lead to the most efficient development of this acreage.

Sincerely,



Andrew Parker

Greyhound Resources, LLC

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

Voice 972.371.5403

reece.clark@matadorresources.com

Reece Clark
Senior Landman

May 22, 2024

VIA ONLINE FILING

Mr. Leonard R. Lowe
Engineering Bureau
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Application for Administrative Approval of Non-Standard Location for Matador's
Roy Turner 21-16S-37E State #1 (API 30-025-pending) – Lovington; Upper Penn,
Northeast (Pool Code 40760).

Dear Mr. Lowe,

I am writing in support of Matador Production Company's application for approval of a non-standard location for its Roy Turner 21-16S-37E State #1 (API 30-025-pending), to be completed in the Lovington; Upper Penn, Northeast (Pool Code 40760).

Greyhound Resources, LLC owns 100% of the working interest in the NE/4 of Section 21, T16S, R37E, Lea County, New Mexico, which is part of one State lease.

Greyhound Resources, LLC has been provided a copy of our affiliate's, Matador Production Company's, above-referenced application for approval of a non-standard location for the Roy Turner 21-16S-37E State #1 (API 30-025-pending), with a proposed bottom hole location located at 1,236' FEL, 1,775' FNL of Section 21, T16S, R37E, Lea County, New Mexico, in the Strawn formation.

I write to inform you that Greyhound Resources, LLC is in support of the Matador Production Company's application and waives any protest to the application.

Sincerely,



Reece Clark

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 350353

CONDITIONS

| | |
|---|--|
| Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240 | OGRID: 228937 |
| | Action Number: 350353 |
| | Action Type: [UF-NSL] Non-Standard Location (NSL) |

CONDITIONS

| | | |
|------------|-----------|----------------|
| Created By | Condition | Condition Date |
| llowe | None | 6/11/2024 |