

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

Form C-101
August 1, 2011
Permit 246968

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240		2. OGRID Number 228937
4. Property Code 319567		3. API Number 30-015-44622
5. Property Name MISS SUE 12 23S 27E RB		6. Well No. 201H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	11	23S	27E		958	N	385	E	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	12	23S	27E	A	330	N	240	E	Eddy

9. Pool Information

PURPLE SAGE;WOLFCAMP (GAS)	98220
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Additional Well Information

11. Work Type New Well	12. Well Type GAS	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3075
16. Multiple N	17. Proposed Depth 14250	18. Formation Wolfcamp	19. Contractor	20. Spud Date 5/26/2018
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☐ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	440	500	0
Int1	12.25	9.625	40	2400	800	0
Int2	8.75	7.625	29.7	8600	700	1300
Int2	8.75	7	29	9500	700	1300
Prod	6.125	5.5	20	8500	550	8400
Prod	6.125	4.5	13.5	14200	550	8400

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	3000	Cameron
Double Ram	10000	5000	Cameron
Pipe	10000	5000	Cameron

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Ava Monroe	Approved By: Raymond Podany
Title: Engineering Tech	Title: Geologist
Email Address: amonroe@matadorresources.com	Approved Date: 1/17/2018 Expiration Date: 1/17/2020
Date: 1/11/2018 Phone: 972-371-5218	Conditions of Approval Attached

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

¹ API Number	² Pool Code 98220	³ Pool Name PURPLE SAGE;WOLFCAMP (GAS)
⁴ Property Code	⁵ Property Name MISS SUE 12-23S-27E RB	⁶ Well Number #201H
⁷ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 3075'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	11	23-S	27-E	-	958'	NORTH	385'	EAST	EDDY

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	12	23-S	27-E	-	330'	NORTH	240'	EAST	EDDY

¹² Dedicated Acres 323.76	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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>¹⁶</p> <p>FIRST PERFORATION POINT NEW MEXICO EAST NAD 1983 X=597591 Y=482465 LAT.: N 32.3262361 LONG.: W 104.1512166 NAD 1927 X=556409 Y=482405 LAT.: N 32.3261165 LONG.: W 104.1507179</p> <p>SURFACE LOCATION NEW MEXICO EAST NAD 1983 X=596878 Y=481832 LAT.: N 32.3245015 LONG.: W 104.1535284 NAD 1927 X=555696 Y=481773 LAT.: N 32.3243820 LONG.: W 104.1530297</p> <p>LAST PERFORATION POINT NEW MEXICO EAST NAD 1983 X=602274 Y=482483 LAT.: N 32.3262623 LONG.: W 104.1360548 NAD 1927 X=561092 Y=482423 LAT.: N 32.3261426 LONG.: W 104.1355567</p> <p>BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1983 X=602364 Y=482483 LAT.: N 32.3262628 LONG.: W 104.1357634 NAD 1927 X=561182 Y=482424 LAT.: N 32.3261431 LONG.: W 104.1352653</p>	<p>¹⁷OPERATOR CERTIFICATION I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Chris Carleton</i> Signature Date Chris Carleton Printed Name ccarleton@matadorresources.com E-mail Address</p> <p>¹⁸SURVEYOR 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 to the best of my belief.</p> <p>12/15/2017 Date of Survey Signature and Seal of Professional Surveyor MICHAEL B. BROWN NEW MEXICO 18329 PROFESSIONAL SURVEYOR Certificate Number</p>
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Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

X Original

Operator & OGRID No.: Matador Production Company (228937)

☐ Amended

Date: 1/2/18

Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: A C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule 19.15.18.12.A

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Miss Sue 12-23S-27E RB #201H	30-015- *****	UL-H Sec 11 T23S R27E	958' N 385' E	+/- 2,000	~21 days	Flare ~21 days on flowback before turn into TB. Time est. depends on sales connect and well cleanup.

Gathering System and Pipeline Notification

The well will be connected to a production facility after flowback operations are complete so long as the gas transporter system is in place. The gas produced from the production facility should be connected to Longwood RB Pipeline, LLC's low/high pressure gathering system located in Eddy County, New Mexico. It will require ~500' of pipeline to connect the facility to a low/high pressure gathering system. Matador Production Company periodically provides a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future to Longwood RB Pipeline, LLC. If changes occur that will affect the drilling and completion schedule, Matador Production Company will notify Longwood RB Pipeline, LLC. Additionally, the gas produced from the well will be processed at a processing plant further downstream and, although unanticipated, any issues with downstream facilities could cause flaring at the wellhead. The actual flow of the gas will be based on compression operating parameters and gathering system pressures measured when the well starts producing.

Flowback Strategy

After the fracture treatment/completion operations (flowback), the well will be produced to temporary production tanks and the gas will be flared or vented. During flowback, the fluids and sand content will be monitored. If the produced fluids contain minimal sand, then the well will be turned to production facilities. The gas sales should start as soon as the well starts flowing through the production facilities, unless there are operational issues on the midstream system at that time. Based on current information, it is Matador's belief the system will be able to take the gas upon completion of the well.

Safety requirements during cleanout operations may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Operating a generator will only utilize a portion of the produced gas and the remainder of gas would still need to be flared.

- Power Company has to be willing to purchase gas back and if they are willing they require a 5 year commitment to supply the agreed upon amount of power back to them. With gas decline rates and unpredictability of markets it is impossible to agree to such long term demands. If the demands are not met then operator is burdened with penalty for not delivering.
- Compressed Natural Gas – On lease
 - Compressed Natural Gas is likely to be uneconomic to operate when the gas volume declines.
- NGL Removal – On lease
 - NGL Removal requires a plant and is expensive on such a small scale rendering it uneconomic and still requires residue gas to be flared.

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Form APD Comments

Permit 246968

PERMIT COMMENTS

Operator Name and Address: MATADOR PRODUCTION COMPANY [228937] One Lincoln Centre Dallas, TX 75240		API Number: 30-015-44622
		Well: MISS SUE 12 23S 27E RB #201H

Created By	Comment	Comment Date
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Form APD Conditions

Permit 246968

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: MATADOR PRODUCTION COMPANY [228937] One Lincoln Centre Dallas, TX 75240		API Number: 30-015-44622
		Well: MISS SUE 12 23S 27E RB #201H
OCD Reviewer	Condition	
RPodany	Will require a directional survey with the C-104	
RPodany	Cement is required to circulate on both surface and intermediate1 strings of casing	