

**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 246916

**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 317404		3. API Number 30-015-44624
5. Property Name KATHY COLEMAN 14 23S 27E RB		6. Well No. 203H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	14	23S	27E		1789	S	245	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
L	14	23S	27E	L	1653	S	240	W	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 3111
16. Multiple N	17. Proposed Depth 14350	18. Formation Wolfcamp	19. Contractor	20. Spud Date 7/2/2018
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	500	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	14300	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:	<b>OIL CONSERVATION DIVISION</b>
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
Date: 1/10/2018	Expiration Date: 1/17/2020
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

<sup>1</sup> API Number		<sup>2</sup> Pool Code 98220		<sup>3</sup> Pool Name PURPLE SAGE;WOLFCAMP (GAS)	
<sup>4</sup> Property Code		<sup>5</sup> Property Name KATHY COLEMAN 14-23S-27E RB			<sup>6</sup> Well Number #203H
<sup>7</sup> GRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3111'

<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	14	23-S	27-E	-	1789'	SOUTH	245'	EAST	EDDY

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	14	23-S	27-E	-	1653'	SOUTH	240'	WEST	EDDY

<sup>12</sup> Dedicated Acres 321.67	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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><b>16</b></p> <div style="display: flex; justify-content: space-between;"> <div style="width: 22%;"> <p><b>BOTTOM HOLE LOCATION</b> NEW MEXICO EAST NAD 1927 X=551025 Y=473777 LAT.: N 32.3024205 LONG.: W 104.1681893 NAD 1983 X=592207 Y=473836 LAT.: N 32.3025400 LONG.: W 104.1686879</p> </div> <div style="width: 22%;"> <p><b>LAST PERFORATION POINT</b> NEW MEXICO EAST NAD 1927 X=551115 Y=473777 LAT.: N 32.3024210 LONG.: W 104.1678980 NAD 1983 X=592297 Y=473836 LAT.: N 32.3025404 LONG.: W 104.1683966</p> </div> <div style="width: 22%;"> <p><b>FIRST PERFORATION POINT</b> NEW MEXICO EAST NAD 1927 X=555742 Y=473792 LAT.: N 32.3024427 LONG.: W 104.1529224 NAD 1983 X=596924 Y=473851 LAT.: N 32.3025624 LONG.: W 104.1534204</p> </div> <div style="width: 22%;"> <p><b>SURFACE LOCATION</b> NEW MEXICO EAST NAD 1927 X=555828 Y=473924 LAT.: N 32.3028031 LONG.: W 104.1526448 NAD 1983 X=597010 Y=473983 LAT.: N 32.3029227 LONG.: W 104.1531428</p> </div> </div>				<p><b>17 OPERATOR CERTIFICATION</b> 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>Cassie Hahn</i> 1/4/18 Signature Date</p> <p>Cassie Hahn Printed Name</p> <p>chahn@matadorresources.com E-mail Address</p>	
<p><b>18 SURVEYOR CERTIFICATION</b> 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>11/08/2017 Date of Survey</p> <p><i>Michael Brown</i> Signature and Seal of Professional Surveyor</p> <p>18329 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: 12/6/17

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
Kathy Coleman 14 23S 27E RB #203H	30-015-*****	UL-I Sec 14 T23S R27E	1789' S 245' 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 required ~600' of pipeline to connect the facility to the 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 246916

**PERMIT COMMENTS**

Operator Name and Address: MATADOR PRODUCTION COMPANY [228937] One Lincoln Centre Dallas, TX 75240		API Number: 30-015-44624
		Well: KATHY COLEMAN 14 23S 27E RB #203H

Created By	Comment	Comment Date
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Form APD Conditions  
  
Permit 246916

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address:		API Number:
MATADOR PRODUCTION COMPANY [228937]		30-015-44624
One Lincoln Centre		Well:
Dallas, TX 75240		KATHY COLEMAN 14 23S 27E RB #203H
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	