

OVN7A-200827-C-107B CTB-968

Revised March 23, 2017

RECEIVED: 8/27/20	REVIEWER: DM	TYPE: CTB	APP NO: pDM2024154858
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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:** SST 6 State #123H, #124H **API:** 30-015-44325, -44324  
**Pool:** Palmillo; Bone Spring, East **Pool Code:** 49553

**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    ☐ PPR
**2) NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☒ Offset operators or lease holders  
 B. ☒ Royalty, overriding royalty owners, revenue owners  
 C. ☐ Application requires published notice  
 D. ☒ Notification and/or concurrent approval by SLO  
 E. ☐ Notification and/or concurrent approval by BLM  
 F. ☐ Surface owner  
 G. ☒ 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.**

Kaitlyn A. Luck

Print or Type Name

Signature

08/27/20

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



**Kaitlyn A. Luck**  
**Phone** (505) 954-7286  
**Fax** (505) 819-5579  
 kaluck@hollandhart.com

August 27, 2020

**VIA ONLINE FILING**

Adrienne Sandoval  
 Director, Oil Conservation Division  
 New Mexico Department of Energy,  
 Minerals and Natural Resources  
 1220 South Saint Francis Drive  
 Santa Fe, New Mexico 87505

**Re: Application of Matador Production Company to authorize lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the SST State Tank Battery located in the SE/4 SE/4 (Unit P) of Section 6, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico.**

Dear Ms. Sandoval:

Pursuant to 19.15.12.7 NMAC, individual spacing units are considered separate “leases” for surface commingling purposes. Accordingly, Matador Production Company (OGRID No. 228937) seeks administrative approval for lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the **SST State Tank Battery** of production from the Palmillo; Bone Spring, East (49553) pool from *all existing and future infill wells drilled in the following spacing units*:

(a) The 160-acre, more or less, spacing unit in the Bone Spring formation (Palmillo; Bone Spring, East (49553)) underlying the N/2 S/2 of Section 6. The spacing unit is currently dedicated to the **SST 6 State #123H well** (API No. 30-015-44325);

(b) The 160-acre, more or less, spacing unit in the Bone Spring formation (Palmillo; Bone Spring, East (49553)) underlying the S/2 S/2 of Section 6. The spacing unit is currently dedicated to the **SST 6 State #124H well** (API No. 30-015-44324); and

(c) Pursuant to 19.15.12.10.C(4)(g), any *spacing units connected to this central tank battery*, with notice provided only to the interest owners in the additional spacing units.

Oil and gas production from these spacing units will be commingled and sold at the SST State Tank Battery located in the SE/4 SE/4 (Unit P) of Section 6. Prior to commingling, gas production

from each spacing unit will be separately metered using individual test separators with calibrated orifice meters that are manufactured to AGA specifications. Oil production from each spacing unit will also be separately metered using turbine meters.

**Exhibit 1** is a land plat showing Matador's current development plan, flow lines, and central tank battery ("production facility") in the subject area. The plat identifies the wellbores, the existing spacing units, and the common surface facilities located in the SE/4 SE/4 (Unit P) of Section 6.

**Exhibit 2** is a C-102 for both of the wells currently permitted or drilled within the existing spacing units, together with the available six-month production reports.

**Exhibit 3** is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B, that includes a statement from Ryan Hernandez, Production Engineer with Matador, identifying the facilities and the measurement devices to be utilized, a detailed schematic of the surface facilities (attachment A to the statement) and a referenced gas sample (attachment B to the statement).

Ownership is diverse between the above-described spacing units. **Exhibit 4** is a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing. A copy of this application has also been provided to the New Mexico State Land Office because state lands are involved.

Finally, there are no communitization agreements for either of these wells because both wells are located on a single state lease.

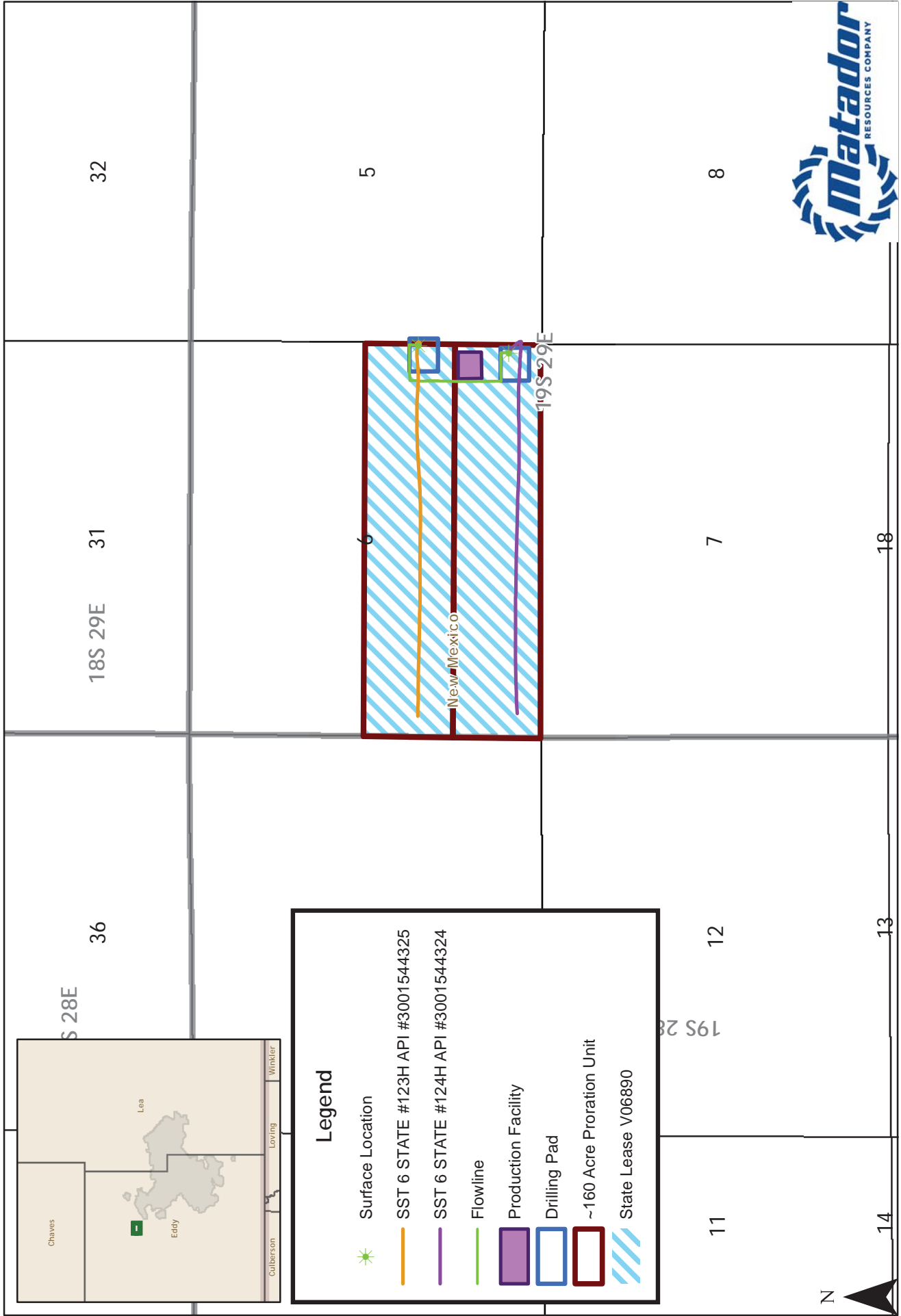
Thank you for your attention to this matter and please feel free to call if you have any questions or require additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck  
**ATTORNEY FOR MATADOR PRODUCTION  
COMPANY**

# SST State Land Plat



## EXHIBIT 1

Document Name: SST\_State\_Commingling  
Coordinate System: GCS WGS 1984

Date: 8/18/2020



**EXHIBIT 2**

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 Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

RECEIVED

MAY 31 2018

DISTRICT II-ARTESIA O.C.D.

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 30-015-44325		<sup>2</sup> Pool Code 49553	<sup>3</sup> Pool Name PALMILLO; BONE SPRING, EAST
<sup>4</sup> Property Code 318383	<sup>5</sup> Property Name SST 6 STATE		<sup>6</sup> Well Number 123H
<sup>7</sup> OGRID No. 228937	<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY		<sup>9</sup> Elevation 3396'

<sup>10</sup>Surface Location

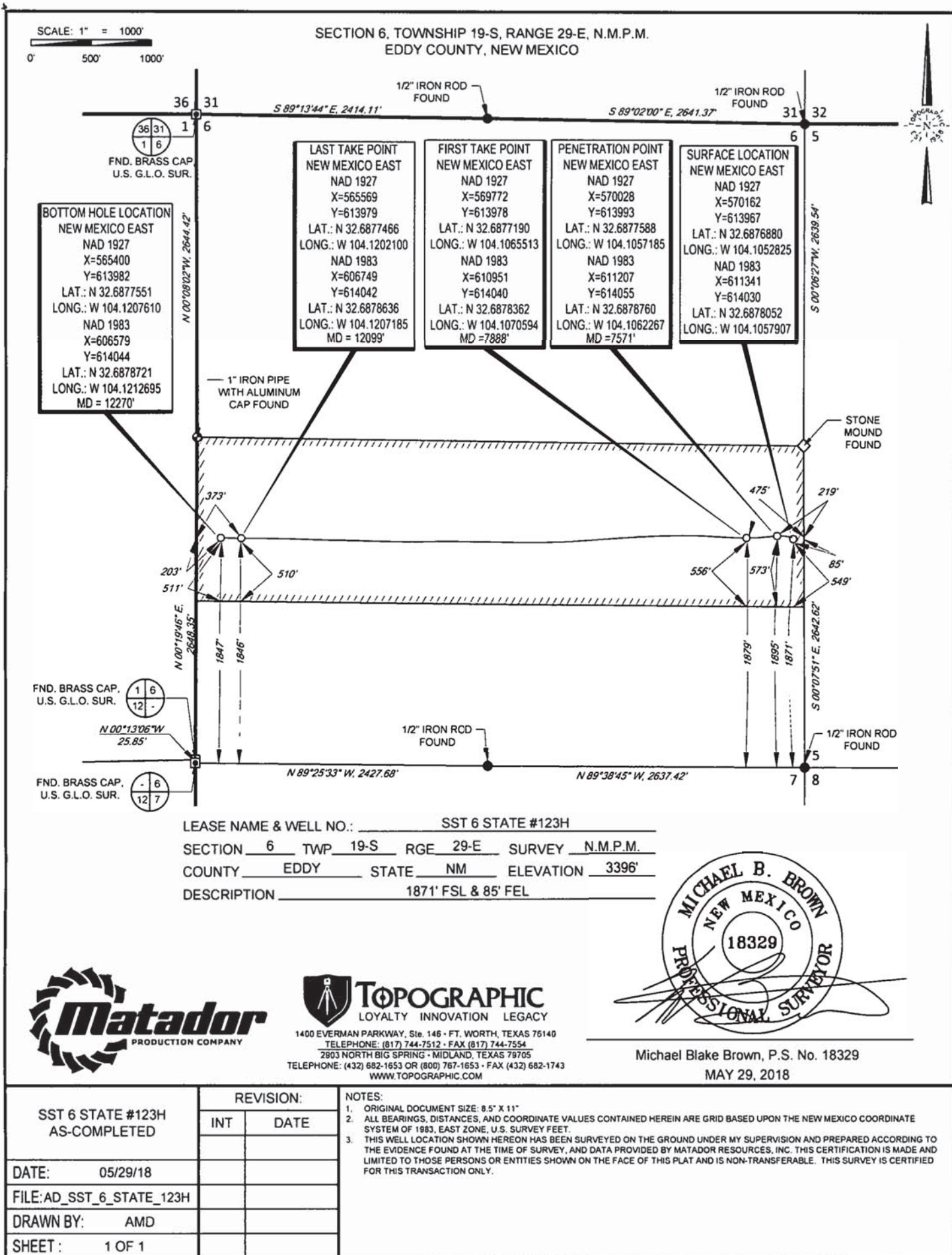
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	6	19-S	29-E	-	1871'	SOUTH	85'	EAST	EDDY

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
6	6	19-S	29-E	-	1847'	SOUTH	203'	WEST	EDDY

<sup>11</sup> Dedicated Acres 152.92	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</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.

16	17 OPERATOR CERTIFICATION
<div style="display: flex; justify-content: space-between;"> <div> <p><b>BOTTOM HOLE LOCATION</b> NEW MEXICO EAST NAD 1927 X=565400 Y=613982 LAT.: N 32.6877551 LONG.: W 104.1207610 NAD 1983 X=606579 Y=614044 LAT.: N 32.6878721 LONG.: W 104.1212695 MD = 12270'</p> </div> <div> <p><b>LAST TAKE POINT</b> NEW MEXICO EAST NAD 1927 X=565569 Y=613979 LAT.: N 32.6877466 LONG.: W 104.1202100 NAD 1983 X=606749 Y=614042 LAT.: N 32.6878636 LONG.: W 104.1207185 MD = 12099'</p> </div> <div> <p><b>FIRST TAKE POINT</b> NEW MEXICO EAST NAD 1927 X=569772 Y=613978 LAT.: N 32.6877190 LONG.: W 104.1065513 NAD 1983 X=610951 Y=614040 LAT.: N 32.6878362 LONG.: W 104.1070594 MD = 7888'</p> </div> <div> <p><b>PENETRATION POINT</b> NEW MEXICO EAST NAD 1927 X=570028 Y=613993 LAT.: N 32.6877588 LONG.: W 104.1057185 NAD 1983 X=611207 Y=614055 LAT.: N 32.6878760 LONG.: W 104.1062267 MD = 7571'</p> </div> <div> <p><b>SURFACE LOCATION</b> NEW MEXICO EAST NAD 1927 X=570162 Y=613967 LAT.: N 32.6876880 LONG.: W 104.1052825 NAD 1983 X=611341 Y=614030 LAT.: N 32.6878052 LONG.: W 104.1057907</p> </div> </div>	<p>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 undivided 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>Nicholas Weeks</i> 5/29/2018 Signature Date</p> <p>Nicholas Weeks Printed Name</p> <p>nweeks@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>10/02/2015 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>18329 Certificate Number</p>	





Production Summary Report API: 30-015-44325 SST 6 STATE #123H Printed On: Friday, August 21 2020												
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure	
2018	[49553]	PALMILLO;BONE SPRING, EAST	May	25297	26529	46199	31	0	0	0	0	0
2018	[49553]	PALMILLO;BONE SPRING, EAST	Jun	43569	82235	34738	30	0	0	0	0	0
2018	[49553]	PALMILLO;BONE SPRING, EAST	Jul	20847	25160	10652	21	0	0	0	0	0
2018	[49553]	PALMILLO;BONE SPRING, EAST	Aug	20544	59036	12453	31	0	0	0	0	0
2018	[49553]	PALMILLO;BONE SPRING, EAST	Sep	15148	62240	9651	30	0	0	0	0	0
2018	[49553]	PALMILLO;BONE SPRING, EAST	Oct	13107	56392	8750	31	0	0	0	0	0
2018	[49553]	PALMILLO;BONE SPRING, EAST	Nov	11169	50480	7876	30	0	0	0	0	0
2018	[49553]	PALMILLO;BONE SPRING, EAST	Dec	9657	38693	7906	31	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Jan	8047	27245	8417	26	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Feb	9063	25135	6764	28	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Mar	8053	27189	7191	31	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Apr	6193	25482	5812	30	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	May	5624	26050	5809	31	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Jun	3741	21756	4235	28	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Jul	4853	22228	4705	31	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Aug	2296	14330	3054	21	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Sep	17	96	33	2	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Oct	1806	12035	2097	16	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Nov	4502	17354	4461	30	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Dec	4285	17445	4226	31	0	0	0	0	0
2020	[49553]	PALMILLO;BONE SPRING, EAST	Jan	3857	20383	3853	31	0	0	0	0	0
2020	[49553]	PALMILLO;BONE SPRING, EAST	Feb	4121	19372	3925	29	0	0	0	0	0
2020	[49553]	PALMILLO;BONE SPRING, EAST	Mar	4416	24301	4407	31	0	0	0	0	0
2020	[49553]	PALMILLO;BONE SPRING, EAST	Apr	3689	24397	4019	28	0	0	0	0	0
2020	[49553]	PALMILLO;BONE SPRING, EAST	May	3544	23561	4026	31	0	0	0	0	0
2020	[49553]	PALMILLO;BONE SPRING, EAST	Jun	2422	22252	3238	30	0	0	0	0	0

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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

MAY 31 2018

DISTRICT II-ARTESIA O.C.D.

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-44324	<sup>2</sup> Pool Code 49553	<sup>3</sup> Pool Name PALMILLO; BONE SPRING, EAST
<sup>4</sup> Property Code 318383	<sup>5</sup> Property Name SST 6 STATE	<sup>6</sup> Well Number 124H
<sup>7</sup> OGRID No. 228937	<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY	<sup>9</sup> Elevation 3386'

<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
P	6	19-S	29-E	-	499'	SOUTH	185'	EAST	EDDY

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
7	6	19-S	29-E	-	340'	SOUTH	248'	WEST	EDDY

<sup>11</sup> Dedicated Acres 152.91	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</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.

<sup>16</sup> <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p><b>BOTTOM HOLE LOCATION</b> NEW MEXICO EAST NAD 1927 X=565436 Y=612475 LAT.: N 32.6836117 LONG.: W 104.1206529 NAD 1983 X=606616 Y=612537 LAT.: N 32.6837288 LONG.: W 104.1211612 MD = 12250'</p> </div> <div style="width: 48%;"> <p><b>LAST TAKE POINT</b> NEW MEXICO EAST NAD 1927 X=565567 Y=612481 LAT.: N 32.6836289 LONG.: W 104.1202283 NAD 1983 X=606746 Y=612543 LAT.: N 32.6837460 LONG.: W 104.1207367 MD = 12118'</p> </div> </div>					<sup>17</sup> OPERATOR 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 leased 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. <div style="display: flex; justify-content: space-between;"> <div> <p><i>Nicholas Weeks</i> Signature</p> </div> <div> <p>5/29/2018 Date</p> </div> </div> <p>Nicholas Weeks Printed Name</p> <p>nweeks@matadorresources.com E-mail Address</p>				
<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p><b>FIRST TAKE POINT</b> NEW MEXICO EAST NAD 1927 X=569768 Y=612441 LAT.: N 32.6834944 LONG.: W 104.1065736 NAD 1983 X=610948 Y=612503 LAT.: N 32.6836116 LONG.: W 104.1070817 MD = 7907'</p> </div> <div style="width: 48%;"> <p><b>PENETRATION POINT</b> NEW MEXICO EAST NAD 1927 X=570032 Y=612427 LAT.: N 32.6834546 LONG.: W 104.1057151 NAD 1983 X=611212 Y=612489 LAT.: N 32.6835718 LONG.: W 104.1062231 MD = 7556'</p> </div> </div>					<sup>18</sup> 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 to the best of my belief. <div style="display: flex; justify-content: space-between;"> <div> <p>04/04/2017 Date of Survey</p> </div> <div> <p>Signature of Professional Surveyor</p> </div> </div> <div style="text-align: center;"> <p>NEW MEXICO 18329 PROFESSIONAL SURVEYOR</p> </div> <p>Certificate Number</p>				





Production Summary Report API: 30-015-44324 SST 6 STATE #124H Printed On: Friday, August 21 2020												
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure	
2018	[49553]	PALMILLO;BONE SPRING, EAST	May	20602	21070	46078	31	0	0	0	0	0
2018	[49553]	PALMILLO;BONE SPRING, EAST	Jun	16206	16042	19061	20	0	0	0	0	0
2018	[49553]	PALMILLO;BONE SPRING, EAST	Jul	28668	43667	31073	29	0	0	0	0	0
2018	[49553]	PALMILLO;BONE SPRING, EAST	Aug	19280	54520	24941	31	0	0	0	0	0
2018	[49553]	PALMILLO;BONE SPRING, EAST	Sep	13720	29854	20451	30	0	0	0	0	0
2018	[49553]	PALMILLO;BONE SPRING, EAST	Oct	10369	24870	14394	24	0	0	0	0	0
2018	[49553]	PALMILLO;BONE SPRING, EAST	Nov	8836	36495	11633	28	0	0	0	0	0
2018	[49553]	PALMILLO;BONE SPRING, EAST	Dec	7599	34864	13445	31	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Jan	5749	25251	9889	26	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Feb	5743	31297	10335	28	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Mar	4336	24070	6201	22	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Apr	5362	25092	6963	28	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	May	5273	24403	7124	31	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Jun	4573	24694	6470	30	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Jul	4158	24679	6386	31	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Aug	829	5651	3516	13	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Sep	223	250	1649	9	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Oct	745	2954	3613	18	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Nov	1627	5487	7234	30	0	0	0	0	0
2019	[49553]	PALMILLO;BONE SPRING, EAST	Dec	1904	6270	6687	31	0	0	0	0	0
2020	[49553]	PALMILLO;BONE SPRING, EAST	Jan	1884	6439	5495	30	0	0	0	0	0
2020	[49553]	PALMILLO;BONE SPRING, EAST	Feb	2106	6145	5294	29	0	0	0	0	0
2020	[49553]	PALMILLO;BONE SPRING, EAST	Mar	1757	5897	4388	31	0	0	0	0	0
2020	[49553]	PALMILLO;BONE SPRING, EAST	Apr	1623	5436	3697	30	0	0	0	0	0
2020	[49553]	PALMILLO;BONE SPRING, EAST	May	1556	4362	3156	31	0	0	0	0	0
2020	[49553]	PALMILLO;BONE SPRING, EAST	Jun	1495	4817	2799	30	0	0	0	0	0

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87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

# **OIL CONSERVATION DIVISION**

1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

## **APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Matador Production Company

OPERATOR ADDRESS: 5400 LBJ Freeway Tower 1 Suite 1500 Dallas, TX 75240

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. \_\_\_\_\_

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No

### **(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

### **(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code – Palmillo; Bone Spring, East (49553)

(2) Is all production from same source of supply? ☒ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No

(4) Measurement type: ☒ Metering ☐ Other (Specify)

### **(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

### **(D) OFF-LEASE STORAGE and MEASUREMENT**

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

### **(E) ADDITIONAL INFORMATION (for all application types)**

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Ryan Hernandez

TITLE: Operations Engineer

DATE: 8-20-20

TYPE OR PRINT NAME: Ryan Hernandez

TELEPHONE NO.: 972.619.1276

E-MAIL ADDRESS: rhernandez@matadorresources.com

**EXHIBIT 3**



# Matador Production Company

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

Voice 972.371.5427 • Fax 972.371.5201

[rhernandez@matadorresources.com](mailto:rhernandez@matadorresources.com)

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Ryan Hernandez  
Production Engineer

August 20, 2020

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

**Re: Application of Matador Production Company for administrative approval to surface commingle (lease commingle) production from the spacing units comprising the S2 of Section 6, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico (the “Lands”)**

To Whom This May Concern,

Matador Production Company (“Matador”), OGRID: 228937, requests to commingle future oil and gas production from two distinct wells located on the Lands and future production from the Lands as described herein. All wells will be metered through individual test separators with an oil turbine meter and gas orifice meter. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the Longwood Gathering line. Each well on the Lands will have its own test separator with an orifice meter manufactured and assembled in accordance with American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third party measurement company in accordance with industry specifications.

The orifice meter is the preferred measurement device utilized by midstream and E&P companies in natural gas measurement. The gas samples are obtained at the time of the meter testing/calibration and the composition and heating value are determined by a laboratory in accordance with American Petroleum Institute (API) specifications to ensure accurate volume and Energy (MMBTU) determinations. See example from Fesco Laboratory attached as **Exhibit B** hereto.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. The PFD shows that the water, oil, and gas leave the wellbore and flow into a wellhead test separator which separates the oil, gas, and water. The oil is measured via turbine meter which is calibrated periodically in accordance with industry specifications by a third party measurement company for accuracy. The gas is measured on a volume and MMBTU basis by an orifice meter and supporting EFM equipment in accordance with American Petroleum Association (API) Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of

the other wells' metered gas. The gathering line gas is then metered by another orifice meter at the tank battery check to show the total volume of gas leaving the Tank Battery. This meter is tested and calibrated in accordance with industry specifications and volume and energy are determined on an hourly, daily, and monthly basis. Once the gas exits this final tank battery sales check it travels directly into a third party sales connect meter. Longwood Gathering has its own orifice meter that measures the gas for custody transfer. These meters are also calibrated periodically to ensure the measurement accuracy.

In conclusion, all the oil and gas produced on the Lands is and will be metered at each wellhead and allocated correctly using the same measurement equipment as the pipeline sales measurement specifications accepted by API as industry standard.

Very truly yours,

MATADOR PRODUCTION COMPANY

A handwritten signature in blue ink, appearing to read 'Ryan Hernandez', with a stylized flourish at the end.

Ryan Hernandez  
Production Engineer

Enclosures

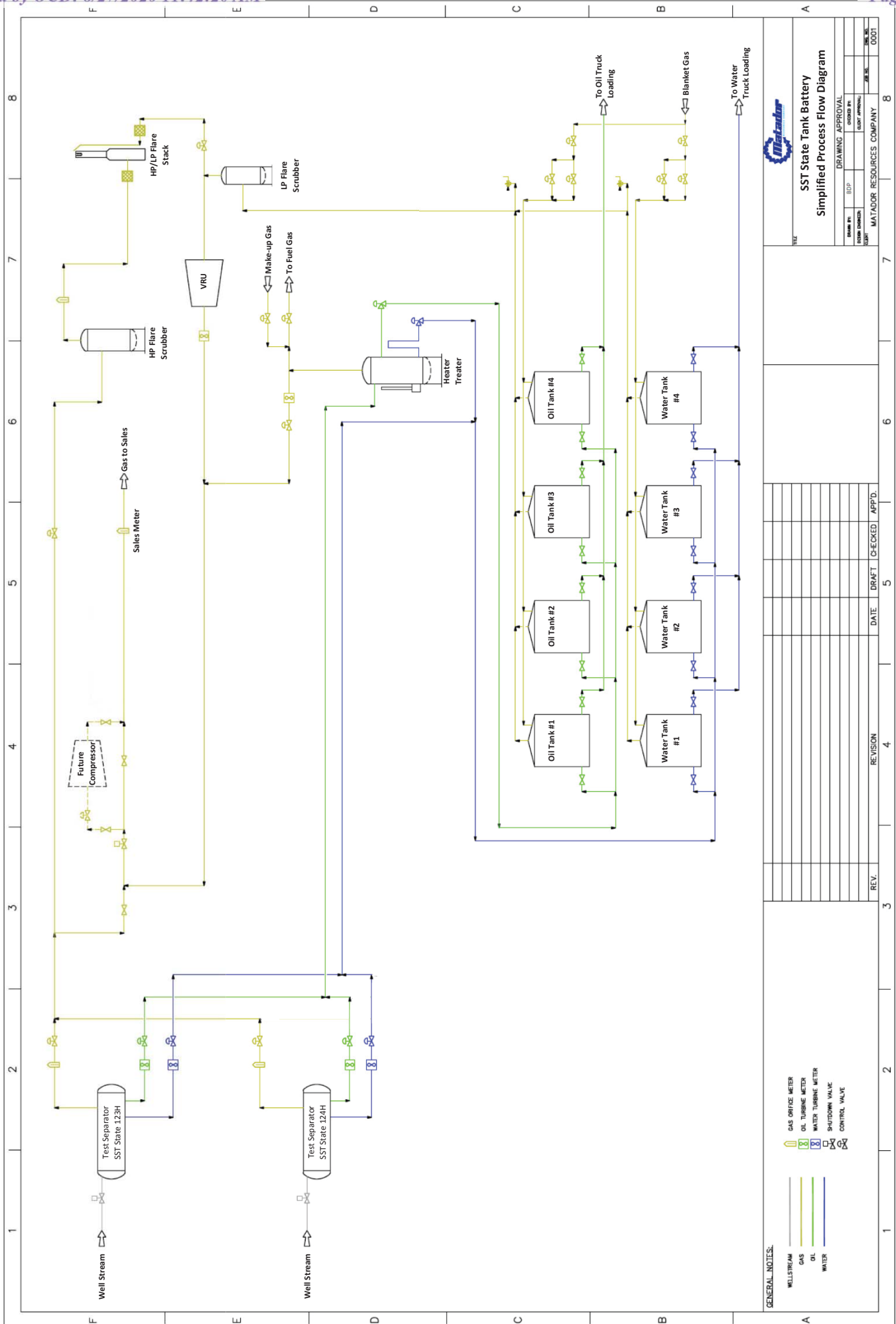


EXHIBIT 3A



**FESCO, Ltd.**  
**1100 Fesco Ave. - Alice, Texas 78332**

**For:** Matador Production Company  
One Lincoln Centre  
5400 LBJ Freeway, Suite 1500  
Dallas, Texas 75240

**Sample:** Stebbins 20 Federal No. 123H  
High Pressure Separator Gas  
Spot Gas Sample @ 204 psig & 102 °F

Date Sampled: 05/03/2017

Job Number: 72177.001

**CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286**

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	< 0.001	
Nitrogen	1.684	
Carbon Dioxide	0.162	
Methane	73.014	
Ethane	14.145	3.777
Propane	6.732	1.852
Isobutane	0.830	0.271
n-Butane	1.851	0.583
2-2 Dimethylpropane	0.004	0.002
Isopentane	0.395	0.144
n-Pentane	0.409	0.148
Hexanes	0.256	0.105
Heptanes Plus	<u>0.514</u>	<u>0.194</u>
Totals	99.996	7.075

**Computed Real Characteristics Of Heptanes Plus:**

Specific Gravity -----	3.217	(Air=1)
Molecular Weight -----	92.79	
Gross Heating Value -----	4669	BTU/CF

**Computed Real Characteristics Of Total Sample:**

Specific Gravity -----	0.774	(Air=1)
Compressibility (Z) -----	0.9959	
Molecular Weight -----	22.32	
Gross Heating Value		
Dry Basis -----	1314	BTU/CF
Saturated Basis -----	1292	BTU/CF

\*Hydrogen Sulfide tested on location b Stain Tube Method (GPA 2377)  
<0.013 Gr/100 CF, <0.2 PPMV or <0.001 Mol %

Base Conditions: 14.650 PSI & 60 Deg F

Sampled By: (24) Amiot  
Analyst: MR  
Processor: ANB  
Cylinder ID: T-5312

Certified: FESCO, Ltd. - Alice, Texas

**EXHIBIT 3B**

David Dannhaus 361-661-7015

**CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286**  
**TOTAL REPORT**

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	< 0.001		< 0.001
Nitrogen	1.684		2.114
Carbon Dioxide	0.162		0.319
Methane	73.014		52.481
Ethane	14.145	3.777	19.058
Propane	6.732	1.852	13.301
Isobutane	0.830	0.271	2.162
n-Butane	1.851	0.583	4.821
2,2 Dimethylpropane	0.004	0.002	0.013
Isopentane	0.395	0.144	1.277
n-Pentane	0.409	0.148	1.322
2,2 Dimethylbutane	0.003	0.001	0.012
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.034	0.014	0.131
2 Methylpentane	0.081	0.034	0.313
3 Methylpentane	0.042	0.017	0.162
n-Hexane	0.096	0.039	0.371
Methylcyclopentane	0.056	0.019	0.211
Benzene	0.078	0.022	0.273
Cyclohexane	0.114	0.039	0.430
2-Methylhexane	0.012	0.006	0.054
3-Methylhexane	0.013	0.006	0.058
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.036	0.016	0.160
n-Heptane	0.026	0.012	0.117
Methylcyclohexane	0.068	0.027	0.299
Toluene	0.039	0.013	0.161
Other C8's	0.032	0.015	0.158
n-Octane	0.009	0.005	0.046
Ethylbenzene	0.002	0.001	0.010
M & P Xylenes	0.007	0.003	0.033
O-Xylene	0.002	0.001	0.010
Other C9's	0.012	0.006	0.068
n-Nonane	0.002	0.001	0.011
Other C10's	0.004	0.002	0.025
n-Decane	0.001	0.001	0.006
Undecanes (11)	<u>0.001</u>	<u>0.001</u>	<u>0.007</u>
Totals	99.996	7.075	99.994

**Computed Real Characteristics Of Total Sample:**

Specific Gravity -----	0.774	(Air=1)
Compressibility (Z) -----	0.9959	
Molecular Weight -----	22.32	
Gross Heating Value		
Dry Basis -----	1314	BTU/CF
Saturated Basis -----	1292	BTU/CF



**Kaitlyn A. Luck**  
**Phone** (505) 954-7286  
**Fax** (505) 819-5579  
kaluck@hollandhart.com

August 27, 2020

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: ALL AFFECTED PARTIES**

**Re: Application of Matador Production Company to authorize lease commingling, off-lease storage, off-lease measurement, and off-lease marketing at the SST State Tank Battery located in the SE/4 SE/4 (Unit P) of Section 6, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico.**

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application, which 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 at the Division's Santa Fe office located at 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 contact the following:

Brian Fancher  
Matador Production Company  
972-371-5242  
bfancher@matadorresources.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck  
ATTORNEY FOR  
MATADOR PRODUCTION COMPANY



**Shipment Confirmation  
Acceptance Notice****A. Mailer Action**

Note To Mailer: The labels and volume associated to this form online must match the labeled packages being presented to the USPS® employee with this form.

Shipment Date: 08/27/2020

Shipped From:

Name \_\_\_\_\_

Address 6747 E 50th AveCity Commerce CityState CO Zip+4® 80022

Type of Mail	Volume
Priority Mail Service®	0
Priority Mail Express Service®	0
Library Mail Service®	0
International Mail®	0
First-Class Package Service®	19
Parcel Select®	0
Other	0
Total Volume	19

\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

**B. USPS Action**

USPS EMPLOYEE: Please scan upon pickup or receipt of mail. Leave form with customer or in customer's mail receptacle.

**USPS SCAN AT ACCEPTANCE****9475 7112 0108 0918 2928 08**

User ID	Date Mailed	Name	Delivery Address	City	ST	Zip	Mail Service	USPS #	Label Ref.
31557	08/27/2020	Drusilla C Cieszinski Trustee	2737 81st St	Lubbock	TX	79423-2229	Certified with Electronic Delivery Confirmation	9407111898765824517937	69213 - MRC - SST S2 PLC C107B - Notice List - 1
31557	08/27/2020	Commissioner of Public Lands	PO Box 1148	Santa Fe	NM	87504-1148	Certified with Electronic Delivery Confirmation	9407111898765824517975	69213 - MRC - SST S2 PLC C107B - Notice List - 2
31557	08/27/2020	Groves Family Trust	3404 Woodhaven Dr	Midland	TX	79707-4535	Certified with Electronic Delivery Confirmation	9407111898765824517616	69213 - MRC - SST S2 PLC C107B - Notice List - 3
31557	08/27/2020	T Joe Hall	6921 Old Kent Dr	Knoxville	TN	37919-7471	Certified with Electronic Delivery Confirmation	9407111898765824517654	69213 - MRC - SST S2 PLC C107B - Notice List - 4
31557	08/27/2020	Kellie Michelle Halabrin	4206 Shadow Elm Woods	San Antonio	TX	78249-2042	Certified with Electronic Delivery Confirmation	9407111898765824517661	69213 - MRC - SST S2 PLC C107B - Notice List - 5
31557	08/27/2020	Roger B Hardee	2914 Bur Oak Ct	Richmond	TX	77469-2006	Certified with Electronic Delivery Confirmation	9407111898765824517623	69213 - MRC - SST S2 PLC C107B - Notice List - 6
31557	08/27/2020	Jalapeno Corporation	PO Box 1608	Albuquerque	NM	87103-1608	Certified with Electronic Delivery Confirmation	9407111898765824517609	69213 - MRC - SST S2 PLC C107B - Notice List - 7
31557	08/27/2020	Oxy USA WTP LP	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Certified with Electronic Delivery Confirmation	9407111898765824517692	69213 - MRC - SST S2 PLC C107B - Notice List - 8
31557	08/27/2020	Petroyates, Inc.	PO Box 1608	Albuquerque	NM	87103-1608	Certified with Electronic Delivery Confirmation	9407111898765824517647	69213 - MRC - SST S2 PLC C107B - Notice List - 9
31557	08/27/2020	Sally Meader Roberts	PO Box 4245	Midland	TX	79704-4245	Certified with Electronic Delivery Confirmation	9407111898765824517630	69213 - MRC - SST S2 PLC C107B - Notice List - 10

31557	08/27/ 2020	R O Thompson	PO Box 644	North Bend	WA	98045-0644	Certified with Electronic Delivery Confirmation	9407111898765824517678	69213 - MRC - SST S2 PLC C107B - Notice List - 11
31557	08/27/ 2020	Yates Energy Corporation	PO Box 2323	Roswell	NM	88202-2323	Certified with Electronic Delivery Confirmation	9407111898765824517159	69213 - MRC - SST S2 PLC C107B - Notice List - 12
31557	08/27/ 2020	Kris H Youell	103 Lariat Dr	Boerne	TX	78006-5945	Certified with Electronic Delivery Confirmation	9407111898765824517166	69213 - MRC - SST S2 PLC C107B - Notice List - 13
31557	08/27/ 2020	Timothy R MacDonald	3003 Paleo Pt	College Station	TX	77845-6153	Certified with Electronic Delivery Confirmation	9407111898765824517128	69213 - MRC - SST S2 PLC C107B - Notice List - 14
31557	08/27/ 2020	Maverick Oil and Gas Corp	1001 W Wall St	Midland	TX	79701-6637	Certified with Electronic Delivery Confirmation	9407111898765824517104	69213 - MRC - SST S2 PLC C107B - Notice List - 15
31557	08/27/ 2020	MRC Delaware Resources, LLC	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	Certified with Electronic Delivery Confirmation	9407111898765824517142	69213 - MRC - SST S2 PLC C107B - Notice List - 16
31557	08/27/ 2020	MRC Explorers Resources, LLC	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	Certified with Electronic Delivery Confirmation	9407111898765824517180	69213 - MRC - SST S2 PLC C107B - Notice List - 17
31557	08/27/ 2020	MRC Spiral Resources, LLC	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	Certified with Electronic Delivery Confirmation	9407111898765824517135	69213 - MRC - SST S2 PLC C107B - Notice List - 18
31557	08/27/ 2020	MAP2004-OK	PO Box 269031	Oklahoma City	OK	73126-9031	Certified with Electronic Delivery Confirmation	9407111898765824517173	69213 - MRC - SST S2 PLC C107B - Notice List - 19