

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- 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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
[B] ☒ Offset Operators, Leaseholders or Surface Owner
[C] ☐ Application is One Which Requires Published Legal Notice
[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] 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.

Jennifer L. Bradfute
Print or Type Name

Signature

Title

Attorney

4/03/15
Date

jlb@modrall.com
e-mail Address



MODRALL SPERLING

L A W Y E R S

April 3, 2015

Jennifer L. Bradfute
505.848.1845
Fax: 505.848.1882
jlb@modrall.com

David Catanach
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 for administrative approval of an unorthodox well location for its Hibiscus State 08-19S-35E RN #124H Well (API 30-025-42502) located in the E/2N/2 of Section 8, Township 19S, Range 35 East, N.M.P.M., Lea County, New Mexico.

Dear Mr. Catanach:

Matador Production Company (OGRID No. 228937) seeks administrative approval of an unorthodox well location for its **Hibiscus State 08-19S-35E RN #124H Well (API 30-025-42502)** to be completed within the Scharb; Bone Springs Pool (Pool Code 55610) underlying Section 8, Township 19S, Range, 35E, Lea County, New Mexico. Attached as **Exhibit A** is a C-102 for the well. This well is a horizontal well that will be drilled as follows:

- Surface Hole Location: 200 feet from the South line and 352 feet from the East line of Section 5 (Unit P);
- First Perforation Point: 330 feet from the North line and 350 feet from the East line of Section 8 (Unit A);
- Last Perforation Point: 330 feet from the South line and 350 feet from the East line of Section 8 (Unit P); and
- Bottom Hole Location: 260 feet from the South line and 350 feet from the East line of Section 8.

Matador Production Company is requesting this NSL in order to efficiently produce its interests in Section 8. The Special Pool Rules, governed by Division Order R-2589, as amended, for the Scharb-Bone Spring Pool require 80-acre spacing units and wells to be located more than 460 feet from the section line. As a result, the completed interval for this well encroaches on

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Roehl Harris & Sisk P.A.

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500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

the spacing units in the SE/4 SE/4 of Section 5 (Unit P), the W/2 W/2 of Section 9 (Units D, E, L and M) and the NE/4 NE/4 of Section 17 (Unit A). In addition, notice is being given to affected persons in the spacing units covering the SW/4 SW/4 of Section 4 (Unit M) and the NW/4 NW/4 of Section 16 (Unit D). **Exhibit B** is a land plat for Section 8 that shows the proposed **Hibiscus State 08-19S-35E RN #124H Well** in relation to adjoining units and existing wells.

Exhibit C is a list of the parties affected by the encroachment to the North and the South. Each of these parties have been provided notice of this application by certified mail, return receipt requested, advising them that if they have any objection to this well, it must be filed with the New Mexico Oil Conservation Division within 20 days of the mailing of this notice. In addition, a copy of this application has also been provided to the New Mexico State Land Office.

Your attention to this matter is appreciated.

Sincerely,



Jennifer L. Bradfute

*Attorney for Matador Production
Company*

cc: New Mexico State Land Office
Post Office Box 1148
Santa Fe, New Mexico 87504

☐ **AMENDED REPORT**

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
30-025-42502	55610	SCHARB;BONE SPRING
⁴ Property Code	⁵ Property Name	⁶ Well Number
	HIBISCUS STATE COM 08-19S-35E RN	#124H
⁷ UGRID No.	⁸ Operator Name	⁹ Elevation
	MATADOR PRODUCTION COMPANY	3849'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	5	19-S	35-E	-	200'	SOUTH	352'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot (dn)	Feet from the	North/South line	Feet from the	East/West line	County
P	8	19-S	35-E	-	260'	SOUTH	350'	EAST	LEA

12	Dedicated Acres 160.00	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.

**List of Surrounding Operators
and Lessees & Ownership Plat**

Area of Interest:
E2E2 Section 8 T19S R35E
Lea County, New Mexico
Completion Date: 3/25/2015

B

Lands: SE/4 Section 5, Township 19S, Range 35E
Lessee: MRC Permian
5400 LBJ Freeway Suite 1500
Dallas, TX 75240

C

Lands: SW/4 SW/4 Section 4, Township 19S, Range 35E
Lessee: Pubco Petroleum Corp.
PO Box 869
Albuquerque, NM 87103

D

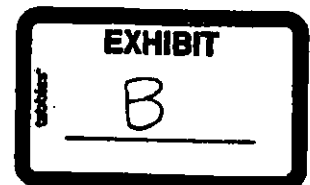
Lands: SE/4 NW/4 Section 9, Township 19S, Range 35E 80 acres 30-015-28195 Scharb
9 #002 (Holding Units E and F)
Operator: Linn Operating
600 Travis, Suite 5100
Houston, TX 77002

Lands: N/2 NW/4 Section 9, Township 19S, Range 35E
Lessee: MRC Permian
5400 Lynn B. Johnson Suite 1500
Dallas, TX 75240

Lands: W/2 SW/4, SW/4NW/4 Section 9, Township 19S, Range 35E
Lessee: Thomas Clifton
1201 FNB Building
Midland, TX 79701

E

Lands: NW/4 NW/4 Section 16, Township 19S, Range 35E
Lessee: Adventure Exploration Partners LLC



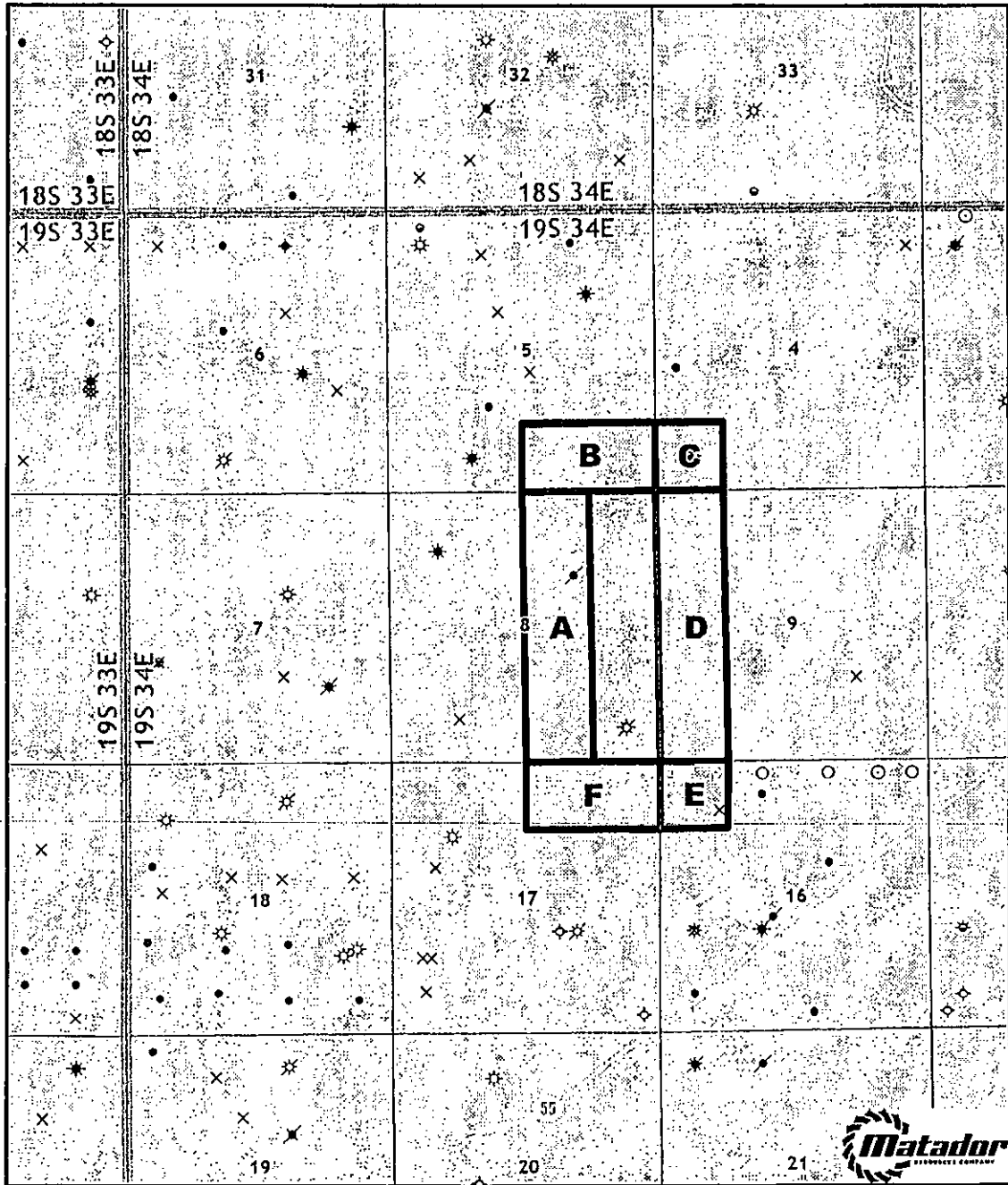
PO Box 11354
Midland, TX 79702

F

Lands: N/2 NE/4, Section 17, Township 19S, Range 35E
Lessee: COG Operating LLC
600 W. Illinois Ave
Midland, TX 79701

Lands: NE/4 NE/4 Section 17, Township 19S, Range 35E
Lessee: Featherstone Development Corp.
PO Box 429
Roswell, NM 88202

Hibiscus State 08-19S-35E RN #124H



1 inch = 2,500 feet

0 2,500 5,000 10,000 Feet

Projection: NAD_1927_StatePlane_New_Mexico_East_FIPS_3001 (feet)



Map Prepared by: Bulgina
Date: March 23, 2010
Name: Hibiscus_OFFSETS
Source: National Agriculture Imagery Program (NAIP)
Environmental Systems Research Institute (ESRI) GIS Energy (M3)



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L A W Y E R S

EXHIBIT C:

Notification List for the Application of Matador Production Company for administrative approval of an unorthodox well location for its Hibiscus State 08-19S-35E RN #124H Well (API 30-025-42502) located in the E/2N/2 of Section 8, Township 19S, Range 35 East, N.M.P.M., Lea County, New Mexico.

Jennifer L. Bradfute
505.848.1845
Fax: 505.848.1882
jlb@modrall.com

MRC Permian
5400 LBJ Freeway Suite 1500
Dallas, TX 75240

Pubco Petroleum Corp.
PO Box 869
Albuquerque, NM 87103

Linn Operating
600 Travis, Suite 5100
Houston, TX 77002

Thomas Clifton
1201 FNB Building
Midland, TX 79701

Adventure Exploration Partners LLC
PO Box 11354 500 W Texas Ave, Suite 1000
Midland, TX 79702 Midland, TX 79701

COG Operating LLC
One Concho Center
600 W. Illinois Ave
Midland, TX 79701

Featherstone Development Corp.
PO Box 429
Roswell, NM 88202

Modrall Sperling
Roehl Harris & Sisk P.A.

Bank of America Centre
500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com



MODRALL SPERLING

L A W Y E R S

April 3, 2015

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jennifer L. Bradfute
505.848.1845
Fax: 505.848.1882
jlb@modrall.com

TO AFFECTED PARTIES

Re: Application of Matador Production Company for administrative approval of an unorthodox well location for its Hibiscus State 08-19S-35E RN #124H Well (API 30-025-42502) located in the E/2N/2 of Section 8, Township 19S, Range 35 East, N.M.P.M., Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed in this notice is a copy of the above referenced application filed with the New Mexico Conservation Division on this date. Any objections that you have to this application must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the above referenced application. If no objections are received within twenty days, this application may be administratively approved by the Division.

If you have any questions concerning this application, please contact:

Chris Carleton
Matador Production Company
One Lincoln Centre
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240
Phone: 972-371-5284

If you have no objection to this application, please sign the waiver as indicated below and return the original. Your assistance and cooperation in this matter are appreciated.

Sincerely,

Jennifer L. Bradfute

**Attorney for Matador Production
Company**

Modrall Sperling
Roehl Harris & Sisk P.A.

Bank of America Centre
500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

WAIVER

_____ hereby waives objection to the above referenced Application for Unorthodox Location for the Hibiscus State 08-19S-35E RN #124H Well (API 30-025-42502), located in the E/2N/2 of Section 8, Township 19S, Range 35 East, N.M.P.M., Lea County, New Mexico.

Dated: _____

Signature

McMillan, Michael, EMNRD

From: Hope Knauls <hknauls@cimarex.com>
Sent: Monday, April 06, 2015 7:30 AM
To: McMillan, Michael, EMNRD
Subject: RE: GTO 10 State Com Well No.1

Hi Mr. McMillan~ We tested each zone independently. We perf'd and tested Mississippian for several days then set several CIBPs w/ cmt on top and perf'd the Atoka testing it independently as well for several weeks. We drilled out CIBPs after production rates were established. This was not based on production logs.

Thank you
Hope

Hope Knauls
Cimarex Energy
Regulatory Tech
918-295-1799
hknauls@cimarex.com

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Friday, April 03, 2015 12:51 PM
To: Hope Knauls
Subject: GTO 10 State Com Well No.1

Ms. Knauls:
Can you tell me how you arrived at the percentages?
Did you test the zones? Was it based on well logs?
This is the last thing I need to recommend signature.

Thank You

Michael A. McMillan

Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Dr., Santa Fe NM 87505
O: 505.476.3448 F: 505.476.3462
Michael.mcmillan@state.nm.us

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Send To: **COG OPERATING, LLC**
 Street, Apt. No. or PO Box No. **600 W. ILLINOIS AVE**
 City, State, ZIP+4[®] **MIDLAND, TX 79701**

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 Street, Apt. No. or PO Box No. **1201 FNB BUILDING**
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Send To: **MPC PERMIAN**
 Street, Apt. No. or PO Box No. **5400 LBJ Freeway Ste 100**
 City, State, ZIP+4[®] **DALLAS, TX 75244**

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 Street, Apt. No. or PO Box No. **500 W. Texas Ave Ste 100**
 City, State, ZIP+4[®] **MIDLAND, TX 79701**

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Send To: **FEATHERSTONE Prod. Co.**
 Street, Apt. No. or PO Box No. **P.O. Box 429**
 City, State, ZIP+4[®] **ROSOWELL, NM 88202**

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Send To: **Una Operating**
 Street, Apt. No. or PO Box No. **600 Travis, Suite 5100**
 City, State, ZIP+4[®] **HOUSTON, TX 77002**

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Send To: **Albedo Petroleum Corp.**
 Street, Apt. No. or PO Box No. **P.O. Box 869**
 City, State, ZIP+4[®] **Albany, NM 87103**

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Send To: **ADVENTURE EXPLORATION Part**
 Street, Apt. No. or PO Box No. **P.O. Box 11354**
 City, State, ZIP+4[®] **MIDLAND, TX 79702**

PS Form 3800, August 2006 See Reverse for Instructions

McMillan, Michael, EMNRD

From: Jennifer L. Bradfute <jlb@modrall.com>
Sent: Monday, April 06, 2015 12:48 PM
To: McMillan, Michael, EMNRD
Cc: Earl E. DeBrine
Subject: RE: NSL - Hibiscus State 08-19S-35E

Thank you Mr. McMillan.

Yes, all of the affected persons in SW/4 of Section 4 have been notified.

Thank you,
Jennifer



Jennifer L. Bradfute
Modrall Sperling | www.modrall.com
P.O. Box 2168 | Albuquerque, NM 87103-2168
500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102
D: 505.848.1845 | O: 505.848.1800 | F: 505.848.1891

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Monday, April 06, 2015 12:47 PM
To: Jennifer L. Bradfute
Subject: RE: NSL - Hibiscus State 08-19S-35E

How about Section 4?

From: Jennifer L. Bradfute [<mailto:jlb@modrall.com>]
Sent: Monday, April 06, 2015 12:45 PM
To: McMillan, Michael, EMNRD
Cc: Earl E. DeBrine
Subject: NSL - Hibiscus State 08-19S-35E

Mr. McMillan,

This email is confirming that all of the affected persons have been notified in SW/4 of Section 4, the NW/4 of Section 16 and the SE/4 of Section 5, Township 19 South, Range 34 East.

Thank you,
Jennifer Bradfute

McMillan, Michael, EMNRD

From: Jennifer L. Bradfute <jlb@modrall.com>
Sent: Monday, April 06, 2015 12:45 PM
To: McMillan, Michael, EMNRD
Cc: Earl E. DeBrine
Subject: NSL - Hibiscus State 08-19S-35E

Mr. McMillan,

This email is confirming that all of the affected persons have been notified in SW/4 of Section 4, the NW/4 of Section 16 and the SE/4 of Section 5, Township 19 South, Range 34 East.

Thank you,
Jennifer Bradfute



Jennifer L. Bradfute
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500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102
D: 505.848.1845 | O: 505.848.1800 | F: 505.848.1891

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XTO Energy Inc.
810 Houston Street
Fort Worth, Texas 76102-6298
(817) 870-2800
(817) 885-1806 Fax

April 28, 2015

Jennifer L. Bradfute
Attorney for Matador Production Company
Bank of America Centre
500 Fourth Street NW
Suite 1000
Albuquerque, NM 87102

Chris Carleton
Matador Production Company
One Lincoln Centre
5400 LBJ Freeway, Suite 1500
Dallas, Tx 75240

RE: Application of Matador Production Company for administrative
approval of an unorthodox well location for its hibiscus State 08-19S-35E
RN #124H Well (API 30-025-42502) located in the E/2N/2 of Section 8,
Township 19S, Range 35E, N.M.P.M., Lea County, NM

Ladies and Gentlemen:

XTO Energy Inc. is in receipt of your letter dated April 23, 2015. The attached Waiver will indicate that we have no objections to your proposed location.

Good luck with your well. If there is ever anything we can do for you, let me know. I look forward to working with you in the future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Keith R. Sawyer'.

Keith R. Sawyer
Division Landman- Permian Basin
817-885-2905

Enclosure (1)

Tom Anderson-XTO Energy

WAIVER

XTO ENERGY INC. hereby waives objection to the above referenced Application for Unorthodox Location for the Hibiscus State 08-19S-35E RN #124H Well (API 30-025-42502), located in the E/2N/2 of Section 8, Township 19S, Range 35 East, N.M.P.M., Lea County, New Mexico.

Dated: 4/28/15

Keith R. Swager
Signature