

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

- CTB 799
 - Matador Production Company
 228937
 well
 - Eland 321833
 RN State Comm 1234
 30-025-42977
 - Eland 321833
 RN State Comm 1234
 30-025-43293
 Pool
 - Conbinj Bone Springs, Souths
 13160

[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.

Sherril Gore
 Print or Type Name

Sherril Gore
 Signature

Regulatory Tech
 Title

8/19/2016
 Date

sgore@matadorresources.com
 e-mail Address

MRC Permian Company

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

Voice 575.627.2476 • Fax 972.629.2176

rpatel@matadorresources.com

Rakesh Patel
Production Engineer

August 31, 2016

New Mexico Oil Conservation Division

1220 South St. Francis Drive

Santa Fe, NM 87505

Re: Application of Matador Production Company for administrative approval for off-lease measurement and approval to surface commingle (lease commingle) production from the spacing units comprised of the E/2 of Section 32, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico (the "Lands")

To Whom This May Concern,

Matador Production Company ("Matador"), OGRID: 228937, requests to commingle production from the Eland 32-18S-33E RN State Com 123H well unit with the Eland 32-18S-33E RN State Com 124H well unit. Both wells and future wells located on the Lands will be metered through a test separator. The commingling will occur after individual measurement at each well test separator. Oil is separated and metered by a turbine meter before commingling into a common oil line which flows into tanks for storage and sales. Gas exiting each well test separator is measured by an orifice meter and flows into one gathering line which is measured for total flow before exiting the battery for sales to a third party midstream company.

Each well on the Lands has and will have its own test separator with an oil turbine meter and gas orifice meter manufactured and assembled in accordance with American Petroleum Institute (API) and 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 guidelines.

The flow stream from each wellhead is 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 metered through a turbine meter which is calibrated with appropriate shrink factors base on individual tests. This process ensures each meter is accurately accounting for the oil produced from each individual well. After the oil is metered, it is then sold out of oil tanks to third party purchasers. The gas is measured on a volume basis by an orifice meter and supporting EFM equipment in accordance with API Chapter 21.1. After the gas is measured, it is sent into a gathering line where it is commingled with gas from the other wells located on the Lands. The gathering line gas is then metered by another orifice meter to show the total volume of gas leaving the tank battery traveling to the Third Party Pipeline has its own orifice meter that measures the gas for custody transfer. At this point, Matador has its own orifice meter to confirm the measurement for all the commingled gas that is sold. This meter is also calibrated periodically to ensure measurement accuracy.

In conclusion, all 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 and AGA as industry standard.

Regards,
MATADOR PRODUCTION COMPANY

A handwritten signature in black ink, appearing to read "Rakesh Patel". The signature is written in a cursive, somewhat stylized font.

Rakesh Patel
Production Engineer

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 Grajos 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

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 30-025-42977		² Pool Code 13160		³ Pool Name CORBIN; BONE SPRING, SOUTH	
⁴ Property Code		⁵ Property Name ELAND 32-18S-33E RN STATE COM			⁶ Well Number #123H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3729'

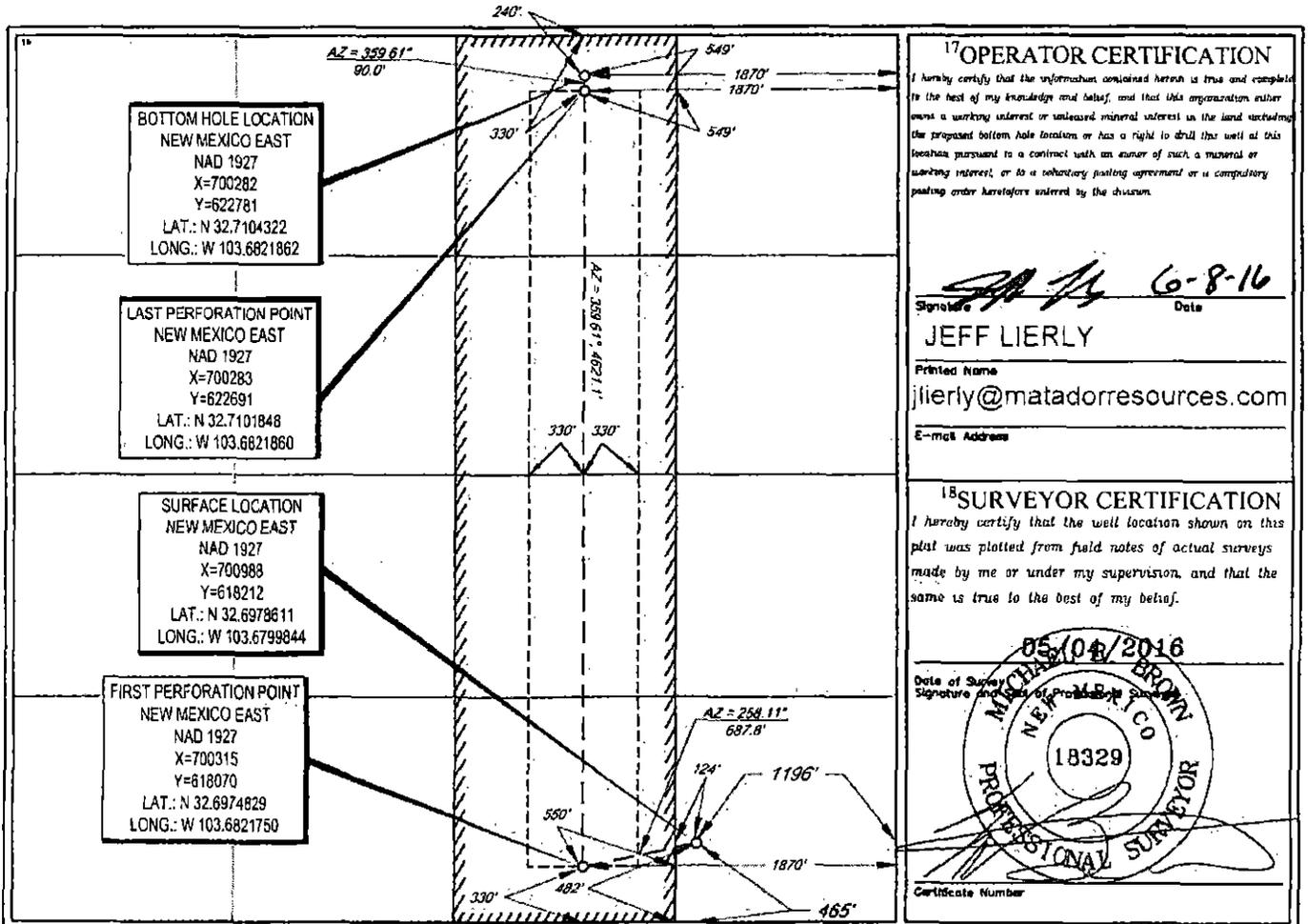
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	32	18-S	33-E	-	465'	SOUTH	1196'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	32	18-S	33-E	-	240'	NORTH	1870'	EAST	LEA

¹¹ Dedicated Acres 160	¹² Joint or Infill	¹³ Consolidation Code	¹⁴ 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.



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.

Signature: *Jeff Lierly* Date: 6-8-16
Printed Name: JEFF LIERLY
E-mail Address: jliery@matadorresources.com

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.

Date of Survey: 05/04/2016
Signature and Seal of Professional Surveyor: [Seal of M. J. Brown, Professional Surveyor, No. 18329, State of New Mexico]

Certificate Number: [Blank]

District I
1625 N French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
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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

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 30-025-43293		² Pool Code 13160		³ Pool Name CORBIN;BONE SPRING, SOUTH	
⁴ Property Code 315705		⁵ Property Name ELAND 32-18S-33E RN STATE COM			⁶ Well Number #124H
⁷ GRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3729'

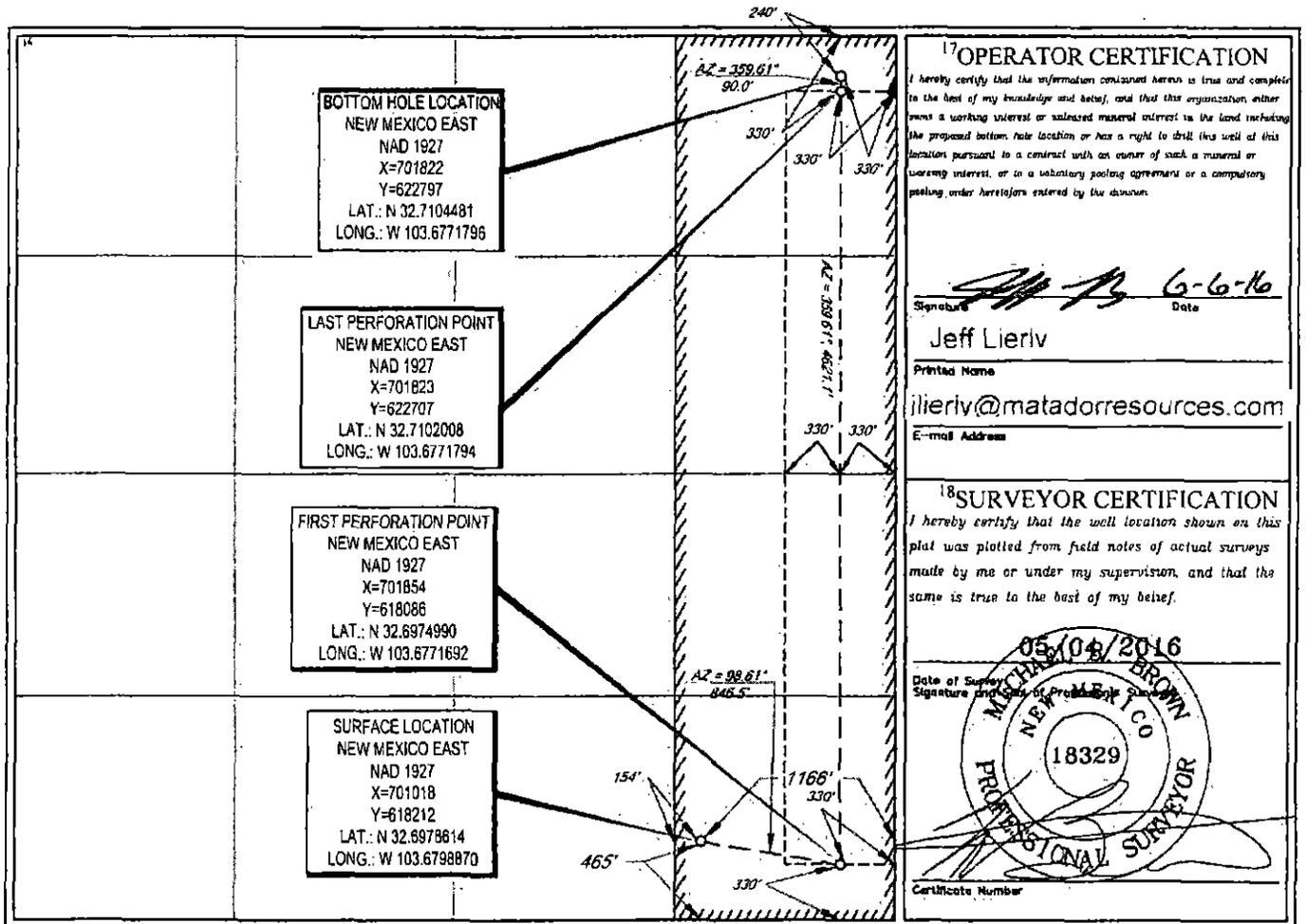
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	32	18-S	33-E	-	465'	SOUTH	1166'	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	32	18-S	33-E	-	240'	NORTH	330'	EAST	LEA

¹¹ Dedicated Acres 160	¹² Joint or Infill	¹³ Consolidation Code	¹⁴ 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.



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 released 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 in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Jeff Lieriv* Date: 6-6-16
Printed Name: Jeff Lieriv
E-mail Address: jlieriv@matadorresources.com

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.

Date of Survey: 05/09/2016
Signature and Seal of Professional Surveyor: *Michael J. Brown*
Professional Surveyor License No. 18329
Certificate Number: *18329*

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5242 • Fax 214.866.4883
jlirly@matadorresources.com

Jeff Lierly, CPL
Senior Landman

August 19, 2016

State of New Mexico Oil Conservation Division
1220 S. St. Francis Drive, #3
Santa Fe, New Mexico 87505

RE: Eland 32 18 33 RN State Com 123H (W/2 E/2 of Section 32, T18S-R33E, Lea County, NM) and
Eland 32 18 33 RN State Com 124H (E/2 E/2 of Section 32, T18S-R33E, Lea County, NM)
ownership

To whom it may concern:

Please be advised that the working interest and royalty interest ownership is uniform in each respective 160 acre project area dedicated to the Eland 32 18 33 RN State Com 123H ("Eland 123H") and Eland 32 18 33 RN State Com 124H ("Eland 124H") wells. Matador Production Company ("Matador") received compulsory pooling order R-14140 to pool certain uncommitted interest owners for the Eland 123H well on March 30, 2016. Additionally, Matador subsequently filed case 15525 seeking to pool certain uncommitted interest owners for the Eland 124H well on August 4, 2016. The uncommitted interest owners subject to case 15525 are the same owners subject to Matador's order R-14140, and, therefore, the committed interests and uncommitted interests are the same in the Eland 123H and 124H wells.

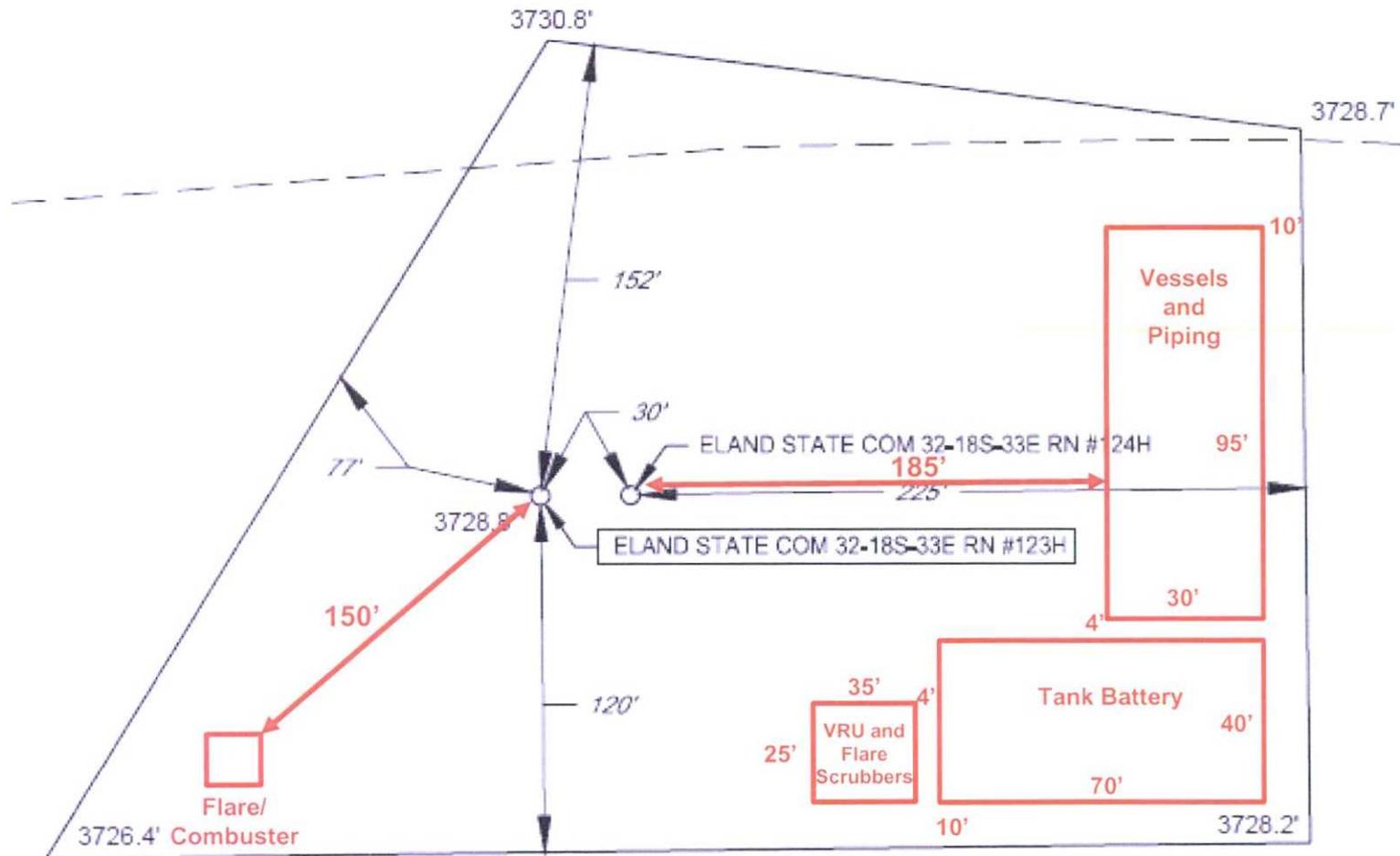
Respectfully,

MATADOR PRODUCTION COMPANY

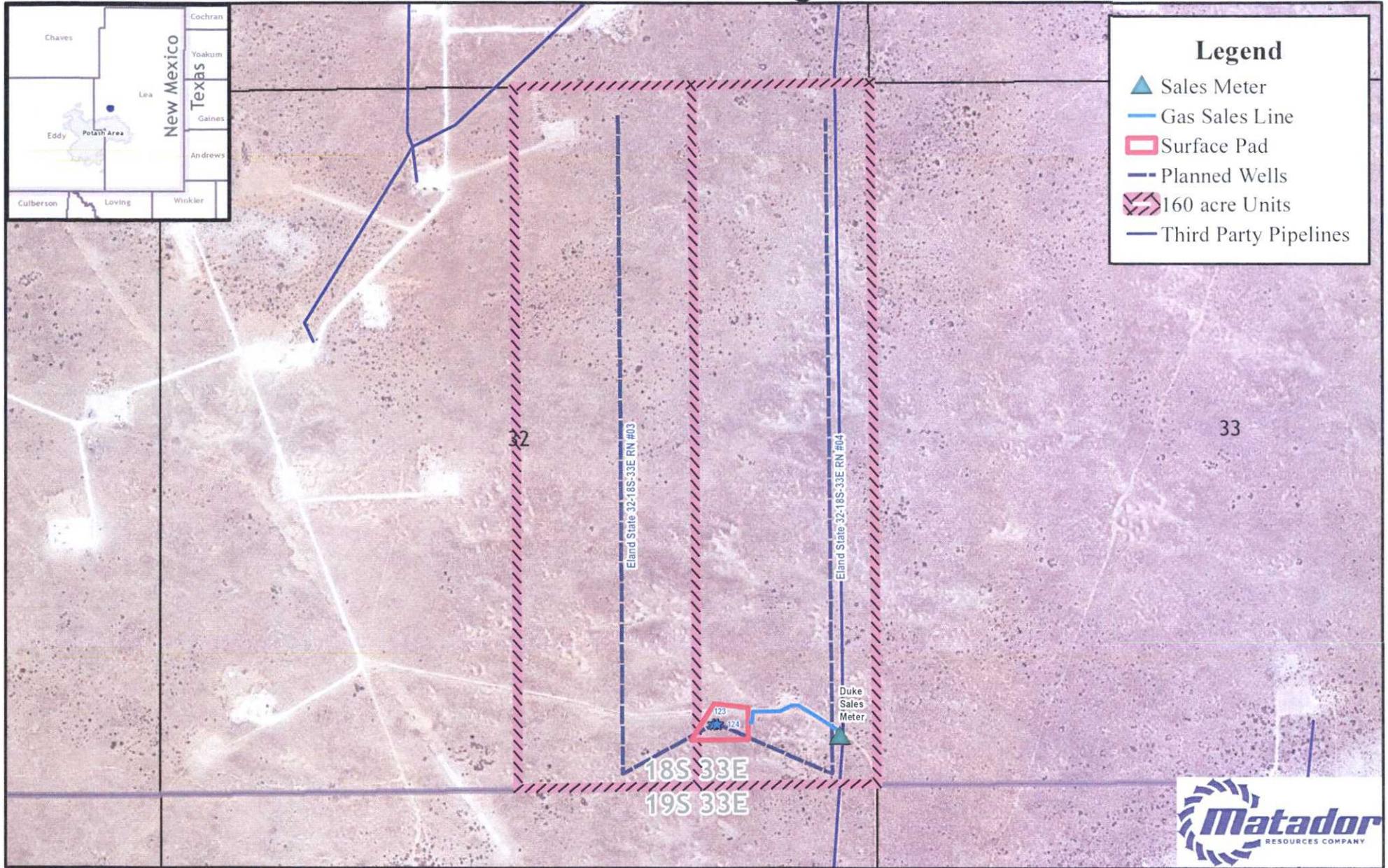


Jeff Lierly, CPL
Senior Landman

Eland State Battery and Vessels



Eland State Gathering Land Plat



Legend

- Sales Meter
- Gas Sales Line
- Surface Pad
- Planned Wells
- 160 acre Units
- Third Party Pipelines

GIS Standard Map Disclaimer:
 This cartographic product is for informational purposes and may not have been prepared for, or be suitable for, legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the validity of the information.



1:12,000
 1 inch = 1,000 feet



Southeast New Mexico
 Map Prepared by: agreen
 Date: July 28, 2016
 Filename: ElandPlat
 Coordinate System: NAD 1927 StatePlane New Mexico East FIPS 3001
 Projection: Transverse Mercator; Datum: North American 1927; Units: Foot US
 Sources: IHS; ESRI;

ORIGIN ID:ADSA (972) 371-5467
SHERI GORE
MATADOR RESOURCES COMPANY
5400 1st FRENWAY
SUITE 1500
DALLAS TX 75240
UNITED STATES US

SHIP DATE: 02SEP16
ACTWGT: 0.50 LB
CAD: 2743805NET13790

BILL SENDER

TO NEW MEXICO STATE LAND OFFICE

P.O. BOX 1148

SANTA FE NM 87501

REF: ELAND COMMANGLE

(505) 837-5760
NM
PO

DEPT



162810070010

544J11A05314EB

TRAK 7771 4272 1452
0201

TUE - 06 SEP 10:30A
PRIORITY OVERNIGHT

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