State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

Sarah Cottrell Propst Cabinet Secretary Adrienne Sandoval, Director Oil Conservation Division



Todd E. Leahy, JD, PhD Deputy Secretary

December 14, 2020

Matador Production Company c/o James Bruce, Agent jamesbruc@aol.com P.O. Box 1056 Santa Fe, New Mexico 87504

RE: Request for Time Extension to Commence drilling

Case No. 20593, R-21043 approved date January 27, 2020

Deadline to commence drilling January 31, 2021 Applicant/Operator: Matador Production Company

Proposed Well:

John Callahan Federal Com Well No. 133H, API No. 30-025-Pending John Callahan Federal Com Well No. 217H, API No. 30-025-Pending

Dear Sir or Madam:

The following pertains to your request received by the Division on December 13th, 2020 and to the requirements in the captioned hearing order.

You have requested an extension of the deadline to commence drilling given by the Division in the captioned order.

As stated, you are requesting an extension to spud this well due to "BLM not yet issuing an APD and current oil prices Matador has reduced its rig count". There was no opposition in the captioned case. You are requesting an additional year in which to spud this well. The spud date is now extended to, **January 21**, **2022**.

The requested additional year in which to commence drilling is hereby granted.

All other provisions of this order remain in full force and effect.

Sincerely,

ADRIENNE SANDOVAL

Director AS/jag

CC: Oil Conservation Division

JAMES BRUCE ATTORNEY AT LAW

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December 13, 2020

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

Re: Request to extend well commencement deadline in pooling order

Ladies and gentlemen:

The following pooling order was issued to Matador Production Company ("Matador") on January 27, 2020:

Order No. R-21043; Case No. 20593

Wells: (1) John Callahan Fed. Com. Well No. 133H (API No. 30-025-Pending), and (2) John Callahan Fed. Com. Well No. 217H (API No. 30-025-Pending)

Well unit: W/2E/2 of Section 21 and NW/4NE/4 of Section 28, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico

Pool: WC-025 G-09 S243532M; Wolfbone (Pool Code 98098)

Ordering Paragraph (4) granted Matador until January 31, 2021 to commence the wells. Pursuant to Ordering Paragraph (5), Matador requests a one year extension of the well commencement deadline, through January 31, 2022. The reasons for the extension request are as follows:

- A. The well unit includes federal lands, and the BLM has not yet issued APDs. A review of the Division's well files today reflects no APDs or API Numbers, and Matador cannot commence drilling without Division-issued API Numbers; and
- B. Due to current oil prices Matador has reduced its rig count, requiring a delay of well commencement.

Matador definitely plans on drilling the wells, but needs additional time to finalize drilling arrangements and to commence the above wells.

Pursuant to Ordering Paragraph (7), Matador informs the Division that no pooled working interest owner has elected to participate in the drilling of the wells.

Please let me know if any additional information is needed by the Division.

Very/truly yours,

Atterney for Matador Production Company