

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



August 27, 2014

Jonathan Filbert
MRC Permian Company
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Re: Request for extension to complete the Recompletion Operations of MRC Permian Company's Ann Com. Well No. 1 (API No. 30-015-23036), Pursuant to Division Order No. R-13743

Dear Mr. Filbert:

The Oil Conservation Division (OCD) received your letter dated August 14, 2014, regarding the referenced subject on August 20, 2014. It is our understanding that RSC Resources, L.P. sold its assets including Ann Com. Well No. 1 to MRC Permian Company. It is also our understanding that MRC Permian Company is awaiting approval for change of operator to be granted by the Oil Conservation Division (OCD), and there are further delays in the sale of the assets. There is also currently no pipeline tie-in before proceeding with the rest of the completion operations.

The OCD has reviewed your request and hereby extends the date to complete the recompletion operations of Ann Com. Well No. 1 to December 1, 2015.

If you have any question, please contact Richard Ezeanyim at (505)-476-3467

Sincerely;

A handwritten signature in black ink, appearing to read "Jami Bailey".

Jami Bailey
Director

JB/re

Cc: Oil Conservation Division District II – Artesia

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
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jfilbert@matadorresources.com

Jonathan Filbert
Senior Staff Landman

August 14, 2014

VIA CERTIFIED AND ELECTIONIC MAIL

New Mexico Oil Conservation Division
Attn: Examiner Richard I. Ezeanyim
1220 South St. Francis Dr.
Santa Fe, NM 87505

**RE: Request for Extended Time to Finish Completing the well under NMOCD
Pooling Order No. 13743
Ann Com No.1
1655' FNL & 1980' FEL
Sec 15-24S-28E: N2 Spacing Unit
Eddy County, NM**

Gentlemen,

On April 4, 2014, the NMOCD granted RSC Resources/Guarding Operating an extensions to finish its recompletion operations by September 1, 2014 for the above referenced well. Subsequently, RSC Resources/Guarding Operation has closed the sale of assets, including the Ann Com No.1 well, and assigned to MRC Permian Company/Matador Production. Matador is currently awaiting approval for the change of operator to be granted by the NMOCD before we commence final completion of this well. Matador requests an extension to December 1, 2015 to finish completion operations due to further delays in the sale of the asset and change of operating rights.

Order No. R-13743 pooling the uncommitted interests on the above referenced well. RSC Resources, L.P. had requested and received an extension of time to comply with paragraph (5), which requires the well be drilled *and completed* within 120 days of commencement. RSC received an extension to September 1, 2014 to finish completion operations due to further delays on tie-in to gas pipeline.

The Ann Com No. 1 was successfully re-entered and the Wolfcamp perforated and acidized. The well flowed gas and has been shut in waiting on gas pipeline tie-in since 7/27/2013. In order to effect an optimum completion and not waste gas, Matador still plans to fracture stimulate the existing perforated zone, perforate and fracture stimulate another Wolfcamp interval, and build production facilities. The well must have a pipeline tie-in before proceeding with the rest of the completion in

order to sell gas during stimulation flow-back. Matador believes it should have the tie-in and can finish completion operations by December 1, 2015. At that time Matador would submit the itemized schedule of actual costs as required by paragraph (9) of the Order.

Please contact the undersigned with any questions.

Best Regards,

MRC PERMIAN COMPANY

A handwritten signature in black ink, appearing to read 'Jonathan Filbert', is written over a horizontal line. The signature is stylized and somewhat cursive.

Jonathan Filbert