

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

nAB1610537909

OPERATOR

Initial Report Final Report

| | |
|---|----------------------------|
| Name of Company Matador Resources Company | Contact Catherine Green |
| Address 5400 LBJ Freeway Suite 1500 Dallas TX 75240 | Telephone No. 575-623-6601 |
| Facility Name Zach McCormick Federal Com #1 | Facility Type oil/gas well |

| | | |
|---------------------------|-----------------------|----------------------|
| Surface Owner Roy Burkham | Mineral Owner Federal | API No. 30-015-43654 |
|---------------------------|-----------------------|----------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| D | 18 | 24S | 29E | 716 | N | 380 | W | Eddy |

Latitude 32.22292 Longitude -104.030542

NATURE OF RELEASE

| | | |
|---|--|---|
| Type of Release Water based mud | Volume of Release 20bbls | Volume Recovered 19bbls |
| Source of Release Gas Buster | Date and Hour of Occurrence 8pm April 9, 2016 | Date and Hour of Discovery 8pm April 9, 2016 |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? | |
| By Whom? | Date and Hour | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Carry over on gas buster during drilling operations/Berm was created around spill area. Vacuum truck flushed and removed water based mud.

Describe Area Affected and Cleanup Action Taken.*

(Rock) well pad /Bermed contaminated area, flushed and removed mud.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

| | | | |
|---|--|----------------------|-----------------------------------|
| Signature: | OIL CONSERVATION DIVISION | | |
| Printed Name: Catherine Green | Approved by Environmental Specialist: <i>MBratcher</i> | | |
| Title: Regulatory Analyst | Approval Date: 5/19/16 | Expiration Date: N/A | |
| E-mail Address: cgreen@matadorresources.com | Conditions of Approval: N/A | | Attached <input type="checkbox"/> |
| Date: May 11, 2016 Phone: 575-623-6601 | FINAL | | |

* Attach Additional Sheets If Necessary