

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
Artesia

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

| | | |
|--|---|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM0560353 |
| 2. Name of Operator Harvey E. Yates Company <i>Matador</i> | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address PO BOX 1933 - ROSWELL NM 88202-1933 | 3b. Phone No. (include area code) 575.623.6601 | 7. If Unit or CA/Agreement, Name and/or No. Hale 11 Federal |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 1980' FEL, Sec. 11 NESW, T19S, R30E | | 8. Well Name and No. Hale 11 Federal #2 |
| | | 9. API Well No. 3001525832 |
| | | 10. Field and Pool, or Exploratory Area Benson; Bone Spring |
| | | 11. County or Parish, State Eddy, New Mexico |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Change of Operator |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

This is a notification of Change of Operator on the above referenced well.

Matador Production Company, as new operator, accept all applicable terms, conditions, stipulations and restrictions concerning operations conducted on this lease or portion of lease described.

BLM Bond No. NMB001079, Surety Bond No-RLB0015172
Matador Production Company
One Lincoln Centre
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

NM OIL CONSERVATION

ARTESIA DISTRICT

JAN 19 2016

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED

UES 1/20/16
Accepted for record
NMOCD

| | | |
|---|--|-----------------------|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tammy R. Link | | Title Production Tech |
| Signature <i>Tammy R. Link</i> | | Date 02/27/2015 |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE JAN 12 2016 | | |
| Approved by | | Title |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | Office |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Matador Production Company
January 12, 2016
Change of Operator
Conditions of Approval

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. Submit for approval of water disposal method.
3. Submit updated facility diagrams as per Onshore Order #3
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
7. Subject to like approval by NMOCD.
8. All Reporting to ONRR (OGOR Reports) must be brought current within 30 days of this approval including any past history.
9. If this well is incapable of producing in paying quantities submit NOI to plug and abandon this well or obtain approval to do otherwise within 90 days.
10. Submit plan for approval of well operations for all TA/SI wells within 30 days of this approval to change operator.
11. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.

JAM 011216