

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N. M. Oil & Gas Division  
SUBMIT IN ARTESIA (Other Inst. one on reverse side)

Form approved.  
Budget Bureau No. 1004-0136  
Expires: December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Matador Operating Company

3. ADDRESS AND TELEPHONE NO.

8340 Meadow Rd., #158, Dallas, TX 75231 214-987-7128

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface

660' FNL; 660' FWL

At proposed prod. zone

same

Unit D Diamond Mound

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

13 miles east of Lake Arthur, NM

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)

660'

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

NA

16. NO. OF ACRES IN LEASE

320

19. PROPOSED DEPTH

9300'

17. NO. OF ACRES ASSIGNED TO THIS WELL

320

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3623' GL

22. APPROX. DATE WORK WILL START\*

December 1, 2000

23.

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|--------------------|
| 17-1/2"      | H-40, 13-3/8"         | 48#             | 400'          | 375 sx circulate   |
| 11"          | J-55, 8-5/8"          | 24#             | 1800'         | 650 sx circulate   |
| 7-7/8"       | N-80, 4-1/2"          | 11.6#           | 9300'         | 900 sx TOC @ 5000' |

The Operator proposes to drill to a depth sufficient to test the Morrow formation. If productive, 4-1/2" casing will be set at TD and cemented back to approximately 5000'. If non-commercial, the well will be plugged and abandoned in accordance with federal regulations.

Well Location and Acreage Dedication Plat  
Application for Permit to Drill  
Surface Use Plan  
Exhibit "A" Area Map  
Exhibit "B" Wellsite Plan  
Exhibit "C" Production Map  
Exhibit "D" Blowout Preventer



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

*[Signature]*

TITLE Sr. Drilling Engineer

DATE 10/10/00

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval 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.

CONDITIONS OF APPROVAL, IF ANY:

ASLANAY D. BRAY

ASLANAY D. BRAY

ASLANAY D. BRAY

APPROVED BY

TITLE

DATE

APPROVED FOR 1 YEAR

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States a false statement.

DISTRICT I  
P. O. Box 1980  
Hobbs, NM 88241-1980

State of New Mexico  
Department of Minerals, and Natural Resources

Form C-102  
Revised 02-10-94  
Instructions on back

DISTRICT II  
P. O. Drawer DD  
Artesia, NM 88211-0719

OIL CONSERVATION DIVISION  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

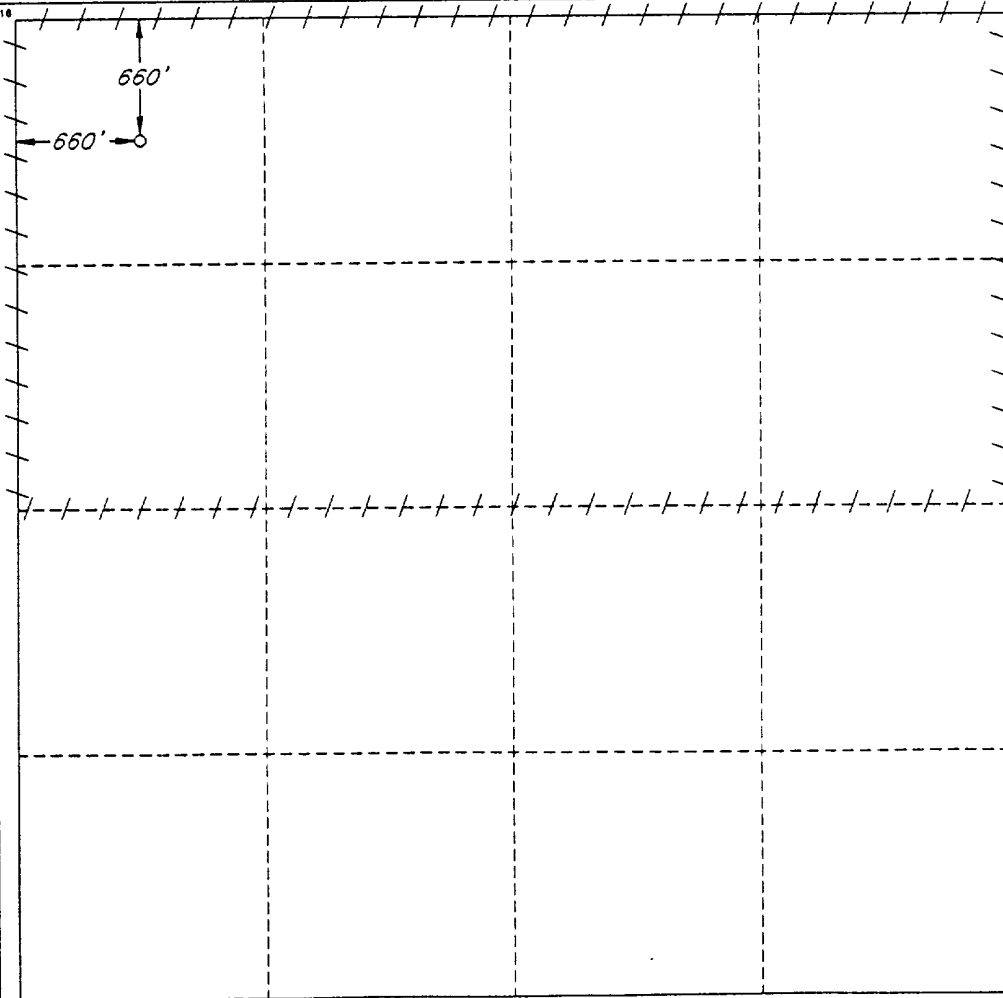
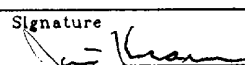
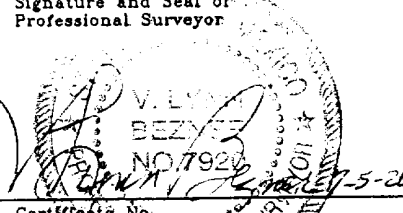
Submit to the Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

☐ AMENDED REPORT

DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

DISTRICT IV  
P. O. Box 2088  
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

|  |               |  |                            |                       |                       |  |                       |                        |                  |
|--|---------------|--|----------------------------|-----------------------|-----------------------|--|-----------------------|------------------------|------------------|
| 1 API Number   |               | 2 Pool Code                                  |                            | 3 Pool Name           |                       |  |                       |                        |                  |
| 4 Property Code  |               | 5 Property Name<br>FORAN FEDERAL '30'        |                            |                       |                       |  |                       | 6 Well Number<br>2     |                  |
| 7 OGRID No.<br>014245  |               | 8 Operator Name<br>MATADOR OPERATING COMPANY |                            |                       |                       |  |                       | 9 Elevation<br>3823'   |                  |
| 10 SURFACE LOCATION  |               |  |                            |                       |                       |  |                       |                        |                  |
| UL or lot no.<br>D   | Section<br>30 | Township<br>15 SOUTH                         | Range<br>28 EAST, N.M.P.M. | Lot Ida               | Feet from the<br>660' | North/South line<br>NORTH  | Feet from the<br>660' | East/West line<br>WEST | County<br>CHAVES |
| 11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE  |               |  |                            |                       |                       |  |                       |                        |                  |
| UL or lot no.  | Section       | Township                                     | Range                      | Lot Ida               | Feet from the         | North/South line   | Feet from the         | East/West line         | County           |
| 12 Dedicated Acres<br>320  |               | 13 Joint or Infill                           |                            | 14 Consolidation Code |                       | 15 Order No.   |                       |                        |                  |
| NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION |               |  |                            |                       |                       |  |                       |                        |                  |
|   |               |  |                            |                       |                       | <b>OPERATOR CERTIFICATION</b><br>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.   |                       |                        |                  |
|  |               |  |                            |                       |                       | Signature<br>   |                       |                        |                  |
|  |               |  |                            |                       |                       | Printed Name<br>Jim Kramer   |                       |                        |                  |
|  |               |  |                            |                       |                       | Title<br>Sr. Engineer  |                       |                        |                  |
|  |               |  |                            |                       |                       | Date<br>10 / 10 / 00   |                       |                        |                  |
|  |               |  |                            |                       |                       | <b>SURVEYOR CERTIFICATION</b><br>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 and correct to the best of my belief. |                       |                        |                  |
|  |               |  |                            |                       |                       | Date of Survey<br>JUNE 27, 2000  |                       |                        |                  |
|  |               |  |                            |                       |                       | Signature and Seal of Professional Surveyor<br>   |                       |                        |                  |
|  |               |  |                            |                       |                       | Certificate No.<br>V. L. BEZNER R.P.S. #7920<br>JOB # 70157 / 99-NW / J.C.P.   |                       |                        |                  |

## APPLICATION FOR PERMIT TO DRILL

### MATADOR OPERATING COMPANY

Foran Federal 30 #2

660' FNL; 660' FWL

Sec 30, T15S, R28E

Chaves County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, Matador Operating Company submits the following items of pertinent information in accordance with Onshore Oil and Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. Geological Name of Surface Formation: Permian
2. Estimated Tops of Important Geological Markers:

|                   | Subsea | Measured Depth |
|-------------------|--------|----------------|
| Yates             | +3300  | 110 MD         |
| Queen             | +2590  | 850 MD         |
| San Andres        | +1740  | 1700 MD        |
| Glorieta          | +410   | 3028 MD        |
| Tubb              | -880   | 4318 MD        |
| Abo               | -1690  | 5128 MD        |
| Cisco             | -3710  | 7150 MD        |
| Atoka             | -5080  | 8518 MD        |
| T/Morrow Clastics | -5250  | 8688 MD *      |
| B/Morrow Clastics | -5540  | 8978 MD        |
| PTD               | -5690  | 9300 MD        |

\* Primary Reservoir Target

3. Estimated Depth of Anticipated Fresh Water, Oil or Gas:

|        |          |     |
|--------|----------|-----|
| Atoka  | 8518' MD | Gas |
| Morrow | 8688' MD | Gas |

\* Groundwater to be protected by 13-3/8" surface casing with cement circulated to the surface.

\*\* Potentially productive horizons to be protected by 4-1/2" production casing with cement top at approximately 5000'.

4. Proposed Casing Program:

| Hole Size | Interval | Casing OD | Description             |
|-----------|----------|-----------|-------------------------|
| 26"       | 0-40'    | 20"       | Conductor, if necessary |
| 17-1/2"   | 0-400'   | 13-3/8"   | 48#, H-40 STC           |
| 11"       | 0-1800'  | 8-5/8"    | 24# J-55 STC            |
| 7-7/8"    | 0-9,300' | 4-1/2"    | 11.6# N-80 LTC          |

Proposed Cementing Program:

20" Conductor: Ready-mix poured to surface.

13-3/8" Surface Casing: Cement with Lead: 175 sx Class "C" Lite with .25 pps Flocele, (s.w. 12.7 ppg, yield 1.85 ft<sup>3</sup>/sx), Tail: 200 sx Class "C" with 2% CaCl<sub>2</sub> (s.w. 14.8 pps, yield 1.34 ft<sup>3</sup>/sx). Texas Pattern shoe w/ insert float valve, 2 centralizers.

8-5/8" Intermediate Casing: Cement with Lead: 500 sx Interfill "C" with .25 pps Flocele, (s.w. 11.5 ppg, yield 1.59 ft<sup>3</sup>/sx. Tail: 150 sx Class C, 2% CaCl<sub>2</sub> (s.w. 14.8 ppg, yield 1.34 ft<sup>3</sup>/sx). Float shoe w/ float collar, 4 centralizers.

4-1/2" Production Casing: Cement with 1<sup>st</sup> stage: Lead: 300 sx Interfill "H", .25 pps Flocele, (s.w. 11.5 ppg, yield 2.75 ft<sup>3</sup>/sx), Tail: 300 sx Super "H" Modified (15#/sk Poz + 11 #/sk CSE), .4% CFR-3, .5% Halad 344, 1 pps Salt, .1% HR-7, (s.w. 13.0 ppg, yield 1.65 ft<sup>3</sup>/sx). 2<sup>nd</sup> Stage: Lead: 200 sx Interfil "H", .25 pps Flocele, (s.w. 11.5 ppg, yield 2.75 ft<sup>3</sup>/sx), Tail: 100 sx Class C neat (s.w. 14.8 ppg, yield 1.32 ft<sup>3</sup>/sx).

5. Pressure Control Equipment:

The blowout preventer equipment (BOP) shown in Exhibits D will consist of a double ram-type (5000 psi WP) preventer and a bag-type (hydril) preventer (3000 psi WP). Both units will be hydraulically operated and the ram-type preventer will be equipped with blind rams on top and 4-1/2" drill pipe rams on bottom. Both BOP's will be nipped up on the 13-3/8" surface casing and used continuously until TD is reached. All BOP's and accessory equipment will be tested to 1000 psi before drilling out of surface casing. Before drilling out of intermediate casing, the ram-type BOP and accessory equipment will be tested to 5000 psi and the hydril to 70% of rated working pressure (2100 psi).

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and 4" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and a choke manifold arc 4000 psi WP rating.

6. Proposed Mud System:

The proposed mud system will be a combination of fresh water, brine, cut brine, and polymer gel. The depth and mud properties of the mud system are listed below.

| Depth       | Type                  | Weight<br>(ppg) | Viscosity<br>(sec) | Waterloss<br>(cc) |
|-------------|-----------------------|-----------------|--------------------|-------------------|
| 0-400'      | Fresh Water/spud      | 8.6-9.0         | 36-40              | N.C.              |
| 400'-1800'  | Fresh Water/Cut Brine | 8.8-9.0         | 29-30              | N.C.              |
| 1800'-8000' | Cut Brine             | 8.8-9.0         | 28-29              | N.C.              |
| 8000'-9300' | Polymer/Starch        | 9.0-9.3         | 32-36              | 10 cc             |

Sufficient mud materials to maintain the above mentioned mud properties and meet minimum lost circulation and weight increase requirements will be kept at the location at all times.

7. Auxiliary Well Control and Monitoring Equipment:

- A Kelly cock will be kept in the drill string at all times.
- A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- A mud logging unit complete will be monitoring drilling penetration rate and hydrocarbon shows from 8000' to TD.

8. Drillstem Testing, Logging and Coring Programs:

- Drillstem tests: None planned.
- Electric logs: CNL-LDT-DLL-MSFL-GR: ICP to 9300' (GR-CNL to surface.
- Coring: None planned.

9. Abnormal Conditions, Pressures, Temperatures, & Potential Hazards:

No abnormal pressure, temperature, or hazardous gas is anticipated. Maximum BHP is estimated at 3870 psig.

10. Anticipated Starting Date and Duration of Operations:

The anticipated start date will be December 1, 2000. Once commenced, drilling operations should be completed in approximately 45 days. If the well is productive, another 30 days will be required for completion work and facility installation.

**SURFACE USE PLAN  
MATADOR OPERATING COMPANY**

**Foran Federal 30 #2  
660' FNL, 660' FWL  
Sec 30, T15S, R28E  
Chaves County, New Mexico**

1. EXISTING ROADS – Area map, Exhibit “A”, is a reproduction of the appropriate part of the U.S.G.S. New Mexico 7-1/2 minute quadrangle. Existing roads are shown on the exhibit and the road to be used on the referenced well is marked. All roads shall be maintained in a condition equal to that which existed prior to start of construction.
2.
  - A. Exhibit “A” shows the proposed exploratory well site as staked.
  - B. From junction of SH 507 & SH 2 in Lake Arthur, go northeast 5.0 miles on SH 507, then east 3.5 miles on Ratcamp road, continue east & southeast 3.5 miles on lease road, then northeast & north 1.3 miles on lease road to well #1, a point ± 3800 southeast of the location.
3. PLANNED ACCESS ROADS – Approximately 3800' of new lease road beginning at existing well (Foran Federal 30 #1) and extending northwest to the well location.
4. LOCATION OF EXISTING WELLS ON A ONE-MILE RADIUS
  - A. Water wells - NA.
  - B. Disposal wells - NA.
  - C. Drilling wells - NA.
  - D. Producing wells – As shown on Exhibit “C”.
5. If upon completion, the well is a producer, Matador Operating Company will furnish maps or plats showing “On Well Pad Facilities” and “Off Well Pad Facilities” (if needed) on a Sundry Notice before construction of these facilities starts.
6. LOCATION AND TYPE OF WATER SUPPLY  
Water will be purchased locally from a private source and trucked over the access road.
7. SOURCE OF CONSTRUCTION MATERIALS

If needed, construction materials will be obtained from the drill site's excavations, or from a local source. These materials will be transported over the access route as shown in Exhibit "A".

8. METHODS FOR HANDLING WASTE DISPOSAL.

- A.
  - 1. Drill cuttings will be disposed of in the reserve pit.
  - 2. Trash, waste paper, and garbage will be contained in a fenced trash trailer to prevent wind-scattering during storage. When the rig moves out, all trash and debris will be hauled to an approved land-fill site.
  - 3. Salts remaining after completion of the well will be picked up by the supplier, including broken sacks.
  - 4. Sewage from trailer houses will drain into holes with minimum depth of 10'00". These holes will be covered during drilling and back-filled upon completion. A "porta-john" will be provided for the rig crews. This will be properly maintained during the drilling operations and removed upon completion of the well.
  - 5. Chemicals remaining after completion of the well will be stored in the manufacturer's containers and picked up by the supplier.
- B. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for back-filling. In the event drilling fluids will not be evaporated in a reasonable period of time, they will be transported by a tank truck to a state approved disposal site.

Water produced during testing of the well will be disposed of in the reserve pit. Oil produced during testing of the well will be stored in test tanks until sold and hauled from the site.

9. ANCILLARY FACILITIES

No camps or airstrips will be constructed.

10. WELL SITE LAYOUT

- A. Exhibit "B-1" shows the proposed well site layout.
- B. This exhibit indicates proposed location of the reserve pits and trash trailer.

- C. Mud pits in the active circulating system will be steel pits.
- D. The reserve pit is to be lined with a poly-ethylene liner. The pit liner will be a minimum of 6 mils thick. The pit liner will extend a minimum of 2'00" over the reserve pit dikes where the liner will be anchored down.
- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

#### 11. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or dry hole.

In either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area as closely as is possible. Drainage system, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstance to prevent inundation of the location pad and surface facilities. After the area had been shaped and contoured, topsoil from the soil pits will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

#### 12. OTHER INFORMATION

- A. The topography is of hilly terrain with vegetation of sagebrush and native grasses. The soils are silty and very shallow.
- B. Surface lessee is Vogle Limited Company, P. O. Drawer 460, Dexter, NM 88230.
- C. An archaeological study has been conducted for the location and road. Archaeological survey submitted under separate cover.
- D. There are no buildings in the area.

13. OPERATOR'S REPRESENTATIVE

Matador Operating Company's field representative for contact regarding compliance with the Surface Use Plan is:

Before, during, and after construction:

Jim Kramer

8340 Meadow Road #158

Dallas, TX 75231

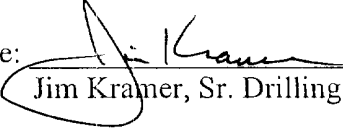
Office: 214-987-7128

Mobile: 915-553-3542

13. CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Matador Operating Company and its contractors/ subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

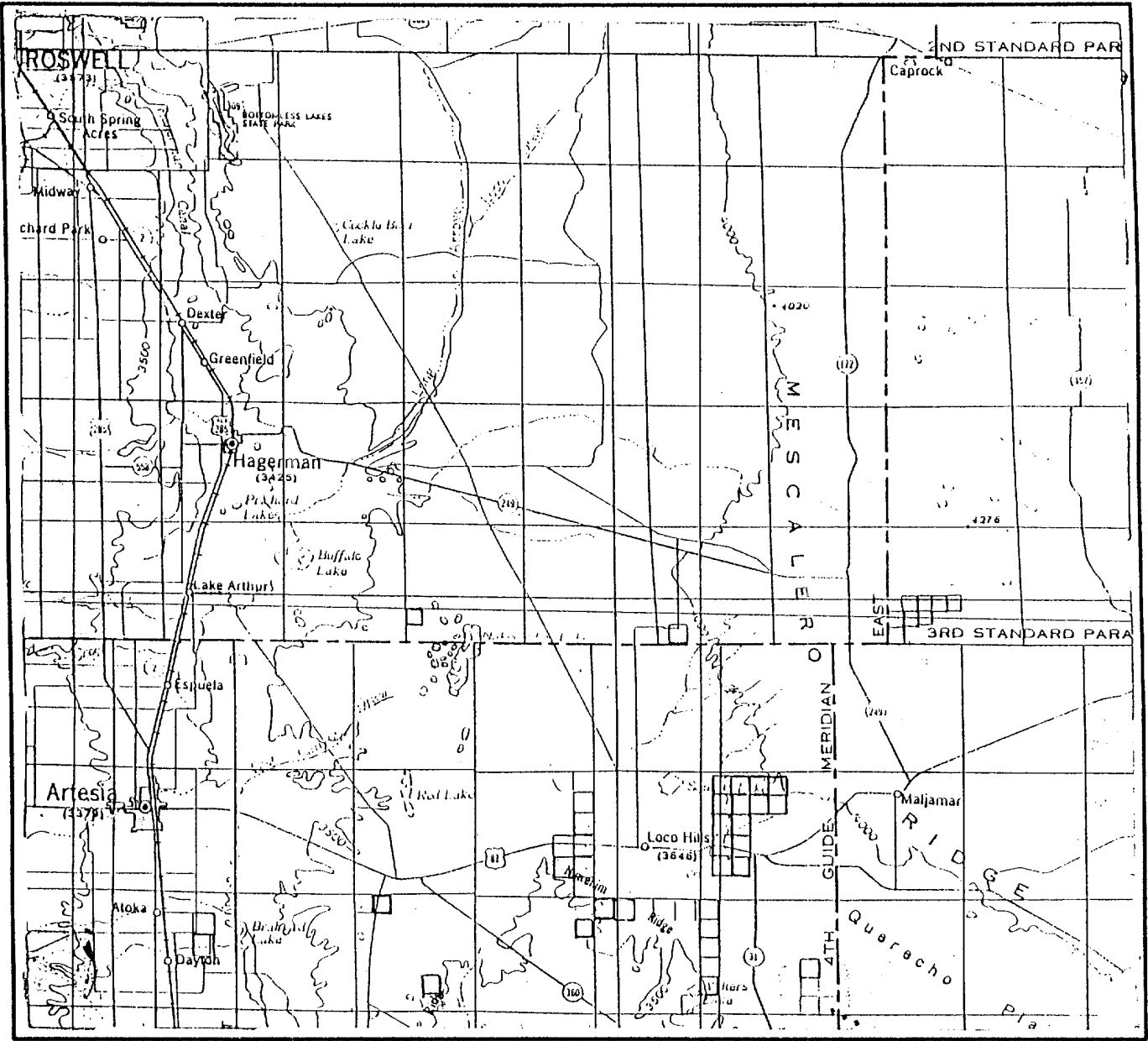
Name:

  
Jim Kramer, Sr. Drilling Engineer

Date:

10/10/00

VICINITY MAP



SECTION 30 TWP 15-S RGE 28-E  
SURVEY NEW MEXICO PRINCIPAL MERIDIAN  
COUNTY CHAVES STATE NM  
DESCRIPTION 660' FNL & 660' FWL

OPERATOR MATADOR OPERATING COMPANY  
LEASE FORAN FEDERAL "30" #2

DISTANCE & DIRECTION FROM JCT. S.H. 2 & HWY. 507  
AT LAKE ARTHUR, GO NORTHEASTERLY 5.0 MILES ON  
HWY. 507, THENCE EAST 3.5 MILES ON RATCAMP ROAD,  
CONTINUE EAST & SOUTHEAST 3.5 MILES ON LEASE  
ROAD, THENCE NORTHEAST & NORTH 1.3 MILES ON  
LEASE ROAD TO WELL #1, A POINT ±3800 SOUTHEAST  
OF LOCATION.

Exhibit "A"  
Area Map



This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.  
Review this plot and notify us immediately of any possible discrepancy.

TOPOGRAPHIC LAND SURVEYORS

*Surveying & Mapping for the Oil & Gas Industry*

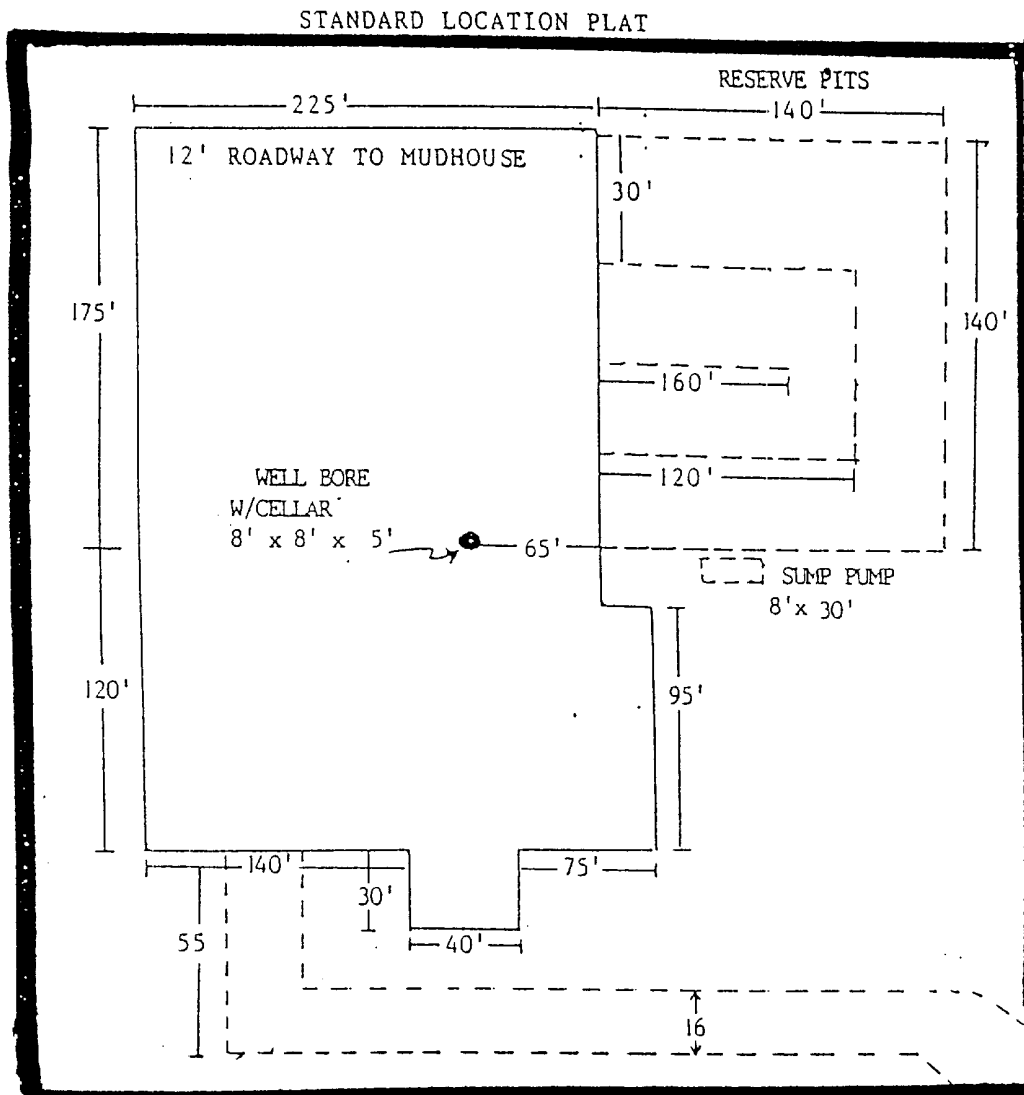
1307 N. HOBART  
PAMPA, TX. 79065  
(800) 658-6382

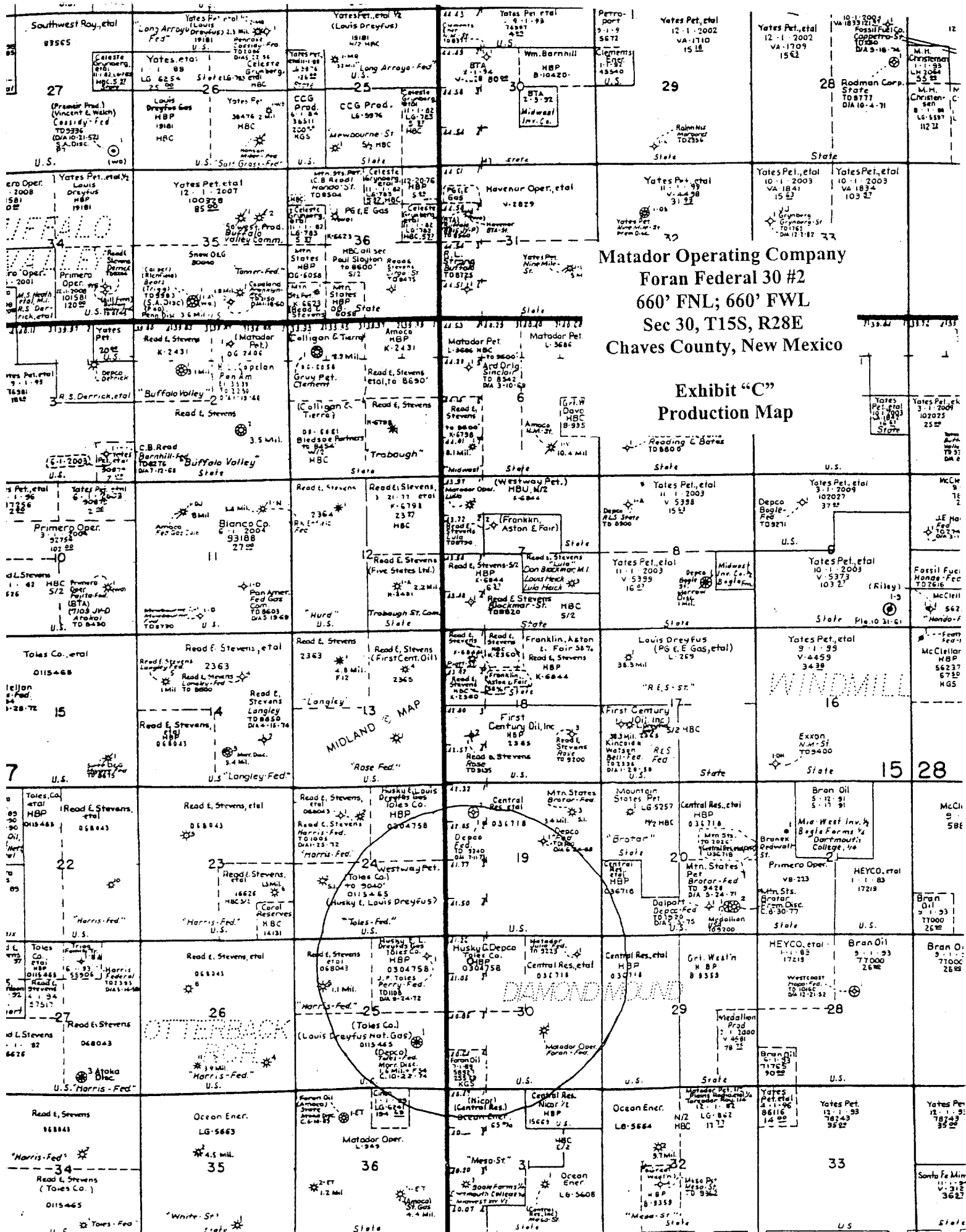
6709 N. CLASSEN BLVD.  
OKLAHOMA CITY, OK. 73116  
(800) 654-3219

2903 N. BIG SPRING  
MIDLAND, TX. 79705  
(800) 767-1653

Matador Operating Company  
Foran Federal 30 #2  
660' FNL; 660' FWL  
Sec 30, T15S, R28E  
Chaves County, New Mexico

Exhibit "B"  
Wellsite Plan



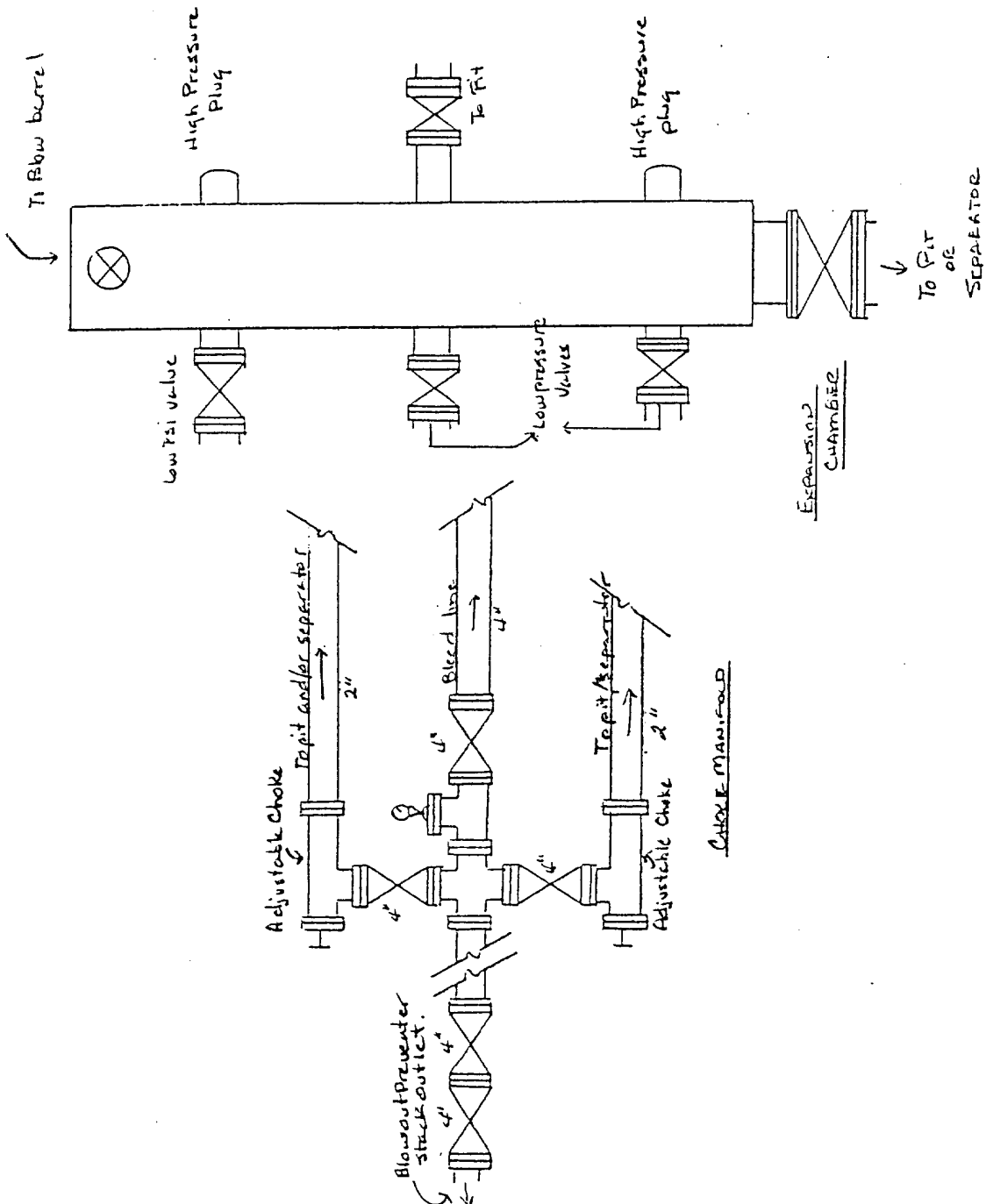
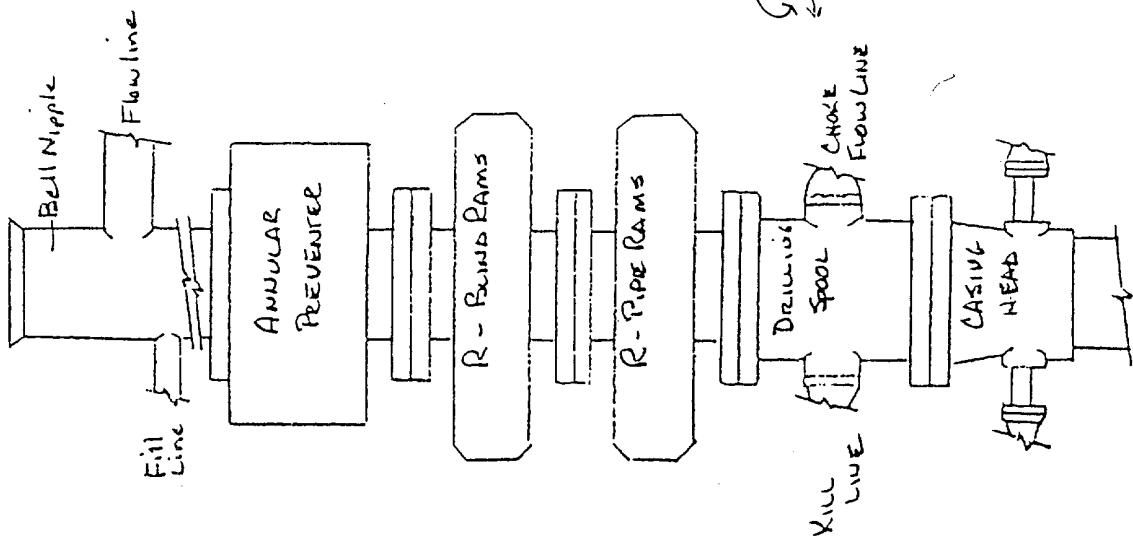


Matador Operating Company  
Foran Federal 30 #2  
660' FNL; 660' FWL  
Sec 30, T15S, R28E  
Chaves County, New Mexico

Exhibit "C"  
Production Map

Matador Operating Company  
 Foran Federal 30 #2  
 660' FNL; 660' FWL  
 Sec 30, T15S, R28E  
 Chaves County, New Mexico

Exhibit "D"  
 Blowout Preventer



5000 PSI  
 WORKING PRESSURE