

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.
30-025-36022

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

Shelley 27 State

8. Well No.

1

9. Pool name or Wildcat
Monument; Tubb

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Matador Operating Company

3. Address of Operator

310 W. Wall, Suite 906 Midland, TX 79701

4. Well Location

Unit Letter P : 330 feet from the South line and 330 feet from the East line

Section 27

Township 19S

Range 37E

NMPM

Lea County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
3605 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

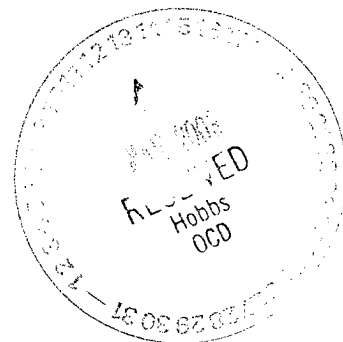
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: Completion ☒

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

See Attached



I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Russ Mathis TITLE Production Manager DATE 3/6/03

Type or print name Russ Mathis

Telephone No. (915) 687-5955

(This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE APR 25 2003

Conditions of approval, if any:

Matador Operating Company

Shelley 27 State #1
Sec. 27, T19S, R37E

API #30-025-36022
Lea County, New Mexico

Date : 11/1/2002

Activity: Cmt Prod Casing

Days On Completion: 1

Remarks : Fin logging run #2. TIH & CBU. TOOH & LDDP & DC's. Ran 4 1/2" csg. Cmt'g 1st stage @ RT. Will cement 2nd stage and rel rig today.

Date : 11/2/2002

Activity: RD

Days On Completion: 2

Remarks : Rig released 11/1/02

Date : 11/5/2002

Activity: MIRUPU

Days On Completion: 5

Remarks : Patterson Rig #76 moved off. Prepared location with backhoe. Set anchors. RUPU and Reverse unit. Inspected cut off and check 8-5/8 - ok. NU BOP. Unload 210 joints 2-3/8" EUE J-55 tubing. Pressure tested BOP blinds and casing to 1500 psi. RIH with 3-7/8" MT bit, 4-1/2" casing scrapper, 4 3-1/8" DC's and 3 joints 2-3/8" EUE J-55 tubing. SWI, SDON.

Date : 11/6/2002

Activity: Drill out csg

Days On Completion: 6

Remarks : FIH with 2-3/8" tubing, tag cement at 3782. RU power swivel and establish circulation, drilling soft cement to DV tool at 3829'. Drilled thru and wiped out completely. Circulated clean. Pressure tested to 1500 psi. Good test. FIH to 7070'. Tagged cement. RU power swivel. Establish circulation. Drilled down to 7088'. Circulated clean and pressure tested to 750 psi. Good test. Pulled 1 joint. SWI, SDON.

Date : 11/7/2002

Activity: Spot Acid

Days On Completion: 7

Remarks : Spotted 10 BW from 7024-7088'. Spotted 23.5 bbls HCL acid from 7024-5511 with 21 bbls FW. POH with 218 joints 2-3/8" tubing and 4 3-1/8" DC. Loaded hole with 18 bbls FW. RU Schlumberger to run CBL, USI, CCL and gamma ray from 7088-5000' and 3950-3750' with 1500 psi on casing. USI log indicated bad bond below 7000'. CBL indicated good bond everywhere. SD to look over logs. SWI, SDON.

Date : 11/8/2002

Activity: Perforate

Days On Completion: 8

Remarks : Ran perf gun to PBTD 7088'. Ran collar strip. Spotted gun 6 SPF, .43 EH and perforated Drinkard from 6990-7009'. POH. RD Schlumberger wireline. Loaded hole with 1/2 bbl. Pressure up to 3000 psi. Very little leak off. After 10 minutes bled off. RIH with 4-1/2" x 2-3/8" AS1 packer, 2-3/8" EUE SN on 217 joints 2-3/8" EUE J-55 tubing and 1 joints 2-3/8" EUE L-80 as top joint. Reversed 17 bbls acid into tubing with FW. Set packer at 6906'. Pressured casing to 500 psi. Pressure tested line to 5000 psi - ok. Pumping acid away at 4800 psi, 1.2-1.8 bpm. Pumped 27 bbls FW flush. ISIP 3998, 5 min 3447, 10 min 3323, 15 min 3250. RU swab unit. Bled off remaining pressure. Began swabbing to frac tank. Made 7 runs. Swabbed to SN at 6900'. 27 bbls. SWI, SDON.

Tubing Detail:

1 jt	2-3/8" EUE L-80	31.10
217 jts	2-3/8" EUE J-55	6853.53
	2-3/8" EUE SN	1.10
	2-3/8" s 4-1/2" AS1 packer	5.20
218 jts	total tubing and tools	6890.93
	KB adjustment	12.00
	EOT	6902.93

Date : 11/9/2002

Activity: Swabbing

Days On Completion: 9

Remarks : IFL at 4900'. Made 3 runs, swabbed to SN. Made 1 run per hour, making 150' fluid per hour. Made 2 runs. SD. LWOTT. Fluid had slight oil cut. 10 bbls total recovery.

Date : 11/10/2002

Activity: SDFWE

Days On Completion: 10

Matador Operating Company

Shelley 27 State #1
Sec. 27, T19S, R37E

API #30-025-36022
Lea County, New Mexico

Date : 11/11/2002

Activity: Acidize

Days On Completion: 11

Remarks : IFL at 3600'. Made 3 swab runs to seat nipple. Recovered 12 bbls water with skim of oil. Made swab run every hour. Swabbed 200'-300' fluid per run. Recovered 4 bbls in 4 hours. RU Schlumberger. Applied 500 psi to casing. Pressure tested lines to 7000 psi. Pumped 2000 gals 20% HCL acid with 50 ball sealers with 29 bbls FW flush. Slight ball action. Treated at 2 bpm at 3800 psi. ISIP 3635 psi, 15 min 3259 psi. RD Schlumberger. Bled off tubing pressure. No flow. Began swabbing at surface. Made 6 runs. Recovered 38 bbls. Last run FL at 4500'. Pulled from SN at 6900'. Had some tail gas. LWOTT, SDON.

Date : 11/12/2002

Activity: Swabbing

Days On Completion: 12

Remarks : IFL at 3700'. Made 3 runs to SN. Made 3 runs from SN. 6 runs in 2 hours. Recovered 16 bbls. Slight oil cut. Very little tail gas. Runs 7-10 making runs on the hour, swabbing 400' fluid from SN. Runs 10-17 making runs on the 1/2 hours, swabbing 250' fluid from SN. Total for the day 31 bbls fluid with 1/4 oil skim, 1-1/4 bbl. EFL at 6650'. Acid job total load 73.7 bbls, recovered in 2 days of swabbing, 69 bbls recovery. 4.7 bbls left to recover.

Date : 11/13/2002

Activity: Swabbing

Days On Completion: 13

Remarks : IFL at 4800'. Swabbed to SN in 4 runs, 13 bbls. Runs 5-15, FL 200'-250' above SN, 10 bbls. Recovered 23 bbls total for the day, 3% oil cut. EFL at 6700'. LWOTT, SDON. Note: we are now 20 bbls over load.

Date : 11/14/2002

Activity: Swabbing

Days On Completion: 14

Remarks : IFL at 5000'. Made 2 runs to SN. Runs 3-5 recovered 200' of fluid per run. 6th run dry to SN, recovered 10 bbls at 10:00 am. Run 7-15, recovered 200-300' per run on the hour. Samples decreasing show of oil. By quitting time, no show of oil. EFL at 1700'. Total recovery for the day is 20 bbls. LWOTT, SDON.

Water Analysis

Specific gravity: 1.055 at 70 degrees F. ph 7.00

Anions	ppm
Chlorides	61155
Sulfates	569
Carbonates	0
Bicarbonates	408

Cations	ppm
Calcium	6562
Magnesium	1566
Iron	95
Sodium	29618

Total dissolved solids: 105365

Date : 11/15/2002

Activity: Swabbing

Days On Completion: 15

Remarks : IFL at 5300'. Swabbed to SN in 3 runs. Recovered 7.5 bbls. Continued swabbing every hour pulling from SN. Recovered 200' per run. Runs 4-10 recovered 8.5 bbls total. (16 bbls for the day). LWOTT, SDON.

Date : 11/16/2002

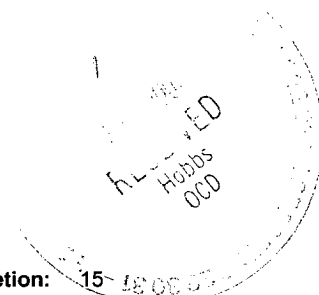
Activity: SDFWE

Days On Completion: 16

Date : 11/17/2002

Activity: SDFWE

Days On Completion: 17



Matador Operating Company

Shelley 27 State #1
Sec. 27, T19S, R37E

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Lea County, New Mexico

Date : 11/18/2002

Activity: Set CIBP

Days On Completion: 18

Remarks : Released AS 1 packer. POH with 218 joints 2-3/8" tubing. Lay packer down. RIH with 3.62 gauge ring and CCL on JSI wireline to 6990'. POH. RIH with 10K EZ drill CIBP on setting tool to 6950'. Set CIBP. POH. Dumped 35' cement. PBTD at 6915'. RIH with 2-3/8" tubing, 218 joints, to 6898'. Circulated hole with 100 bbls FW (reverse circulated). POH with 2 joints 2-3/8" tubing. Added 16' of subs. EOT at 6848'. Spotted 750 gals 15% HCL with 21.7 bbls FW. POH with 80 joints 2-3/8" tubing. SWI, SDON. EOT at 4330'.

Date : 11/19/2002

Activity: Perforate

Days On Completion: 19

Remarks : FOH with 128 joints 2-3/8" tubing. RIH with 3-3/8" expendable casing guns and perforated Tubbs from 6803-08, 30 holes, 6812-15, 18 holes. 1st run 6822-27, 30 holes. 2nd run 6837-41, 24 holes, 6844-47, 18 holes. RD wireline. RU Schlumberger. Loaded well with 11 bbls FW. Pressure tested lines to 4000 psi. Pumped acid away 1 bpm at 3000 psi (best rate). Pumped 20.5 bbls FW flush. ISIP 2820 psi, 5 min 1140 psi, 10 min 728 psi, 15 min 558 psi. Bled off to pit. RIH with 4-1/2" AS 1 packer on 2-3/8" SN and 2-3/8" EUE tubing to 6711'. 211 joints 2-3/8" EUE J-55, 1 joint 2-3/8" L-80. Set packer. Began to swab well down, made 4 swab runs to 3800'. Recovered 41 bbls. Well flowing. RU choke to flow thru. Recovered 19 bbls in 1/2 hour. Called for test unit for flowback. RU Metering and Testing for flowback. 8 hour test on 32/64 choke surging between 30 psi and 60 psi. 1-1/4" orifice in separator with 25 psi at unit. 65 bbls oil, trace of water, 382 MCF. At report time flow rate at 280 MCFD, 15 BF per day at 15% water cut, 30-75 psi FTP.

Tubing Detail:

1 jt	2-3/8" EUE L-80	31.00
211 jts	2-3/8" EUE J-55	6663.00
	2-3/8" EUE SN	1.00
	4-1/2" AS 1 packer	6.00
212 jts	total tubing and tools	6701.00
	KB adjustment	10.00
	EOT	6711.00

Date : 11/20/2002

Activity: Put on line

Days On Completion: 20

Remarks : 24 hour test, 4:00 am 11/20/02 to 4:00 am 11/21/02, 137 bbls oil, 0 water, 290 MCF. Present rate at report time, 5 bbls oil per hour, 0 water, 286 MCF. Well on 32/64 choke, 30 psi. Turned well to sales at 1:00 pm 11/20/02. Total oil in tank is 281 bbls.

Date : 11/21/2002

Activity: Flow Test

Days On Completion: 21

Remarks : Released tester at 10:00 am. Well was flowing steady at a average of 5 BO/hour., 0 BW, 300 MCFD. FTP was 30 psi. on a 32/64" choke. Calculated to 24 hours equals 120 BO/day, 0 BW/day, 300 MCFD. Accumulation in tank is 301 bbls. Moved in and set another frac tank. Switched into tank. Will have overnight report in the morning.

Date : 11/22/2002

Activity: Flow Test

Days On Completion: 22

Remarks : Well flowing steady. Making heads on gas chart every 10 mins. This AM for 24 hour period: oil - 96 bbls, water - 0, gas sales meter - 264 MCF. FTP at 80 psi on a 32/64" choke. Total oil in stock is 390 bbls. Left well flowing. Sent pulling crew to yard and put on stand-by.

Date : 11/23/2002

Activity: Flow Test

Days On Completion: 23

Remarks : Well flowing steady. Making heads on gas chart every 15 to 30 mins. This AM for 24 hour period: oil - 82 bbls, water - 0, gas sales meter - 136 MCF. FTP at 30 psi on a 32/64" choke. Total oil in stock is 480 bbls.

Date : 11/24/2002

Activity: Flow Test

Days On Completion: 24

Remarks : Well flowing steady. Making heads on gas chart every 30 to 45 mins. This AM for 24 hour period: oil - 78 bbls, water - 0, gas sales meter - 133 MCF. FTP at 35 psi on a 32/64" choke. Total oil in stock is 558 bbls.

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Date : 11/25/2002

Activity: Flow Test

Days On Completion: 25

Remarks : Well flowing. Making heads on gas chart every 30 to 45 mins. This am for 24 hour period: 60 BO, 0 BW, gas sales meter - 124 MCF. FTP at 0 psi on a 32/64" choke. Total oil in stock is 618 bbls. Roustabout crew building tank battery.

Date : 11/26/2002

Activity: Acidize

Days On Completion: 26

Remarks : Well flowing. Making heads on gas chart every 30 to 45 mins. This AM for 24 hour period: 70 BO, 0 BW, gas sales meter - 115 MCF. FTP at 0 psi on a 32/64" choke. Total oil in stock is 688 bbls. RU Halliburton Services. Pressured annulus to 500 psi. Tested pump and lines to 7000 psi. Acidized well from top perforation 6803' to bottom perforation 6847' with 5000 gals. 15% NEFE, DI, LST acid with non-emulsifiers added. Dropped 90 ball sealers with 35 bbls of acid pumped. Pumped 40 bbls more and dropped another 90 ball sealers. Had good block and break action when the first set of ball sealers were on the perforations. Was pumping at 4.5 bpm, 5400 psi and pressure went to 5775 psi and broke back to 5440 psi. Had good block and break action when the second set of ball sealers were on the perfs. Was pumping at 4.4 bpm, 5685 psi and pressure went to 5860 psi and broke back to 5700 psi. Flushed acid to bottom perforation. ISDP was 3540 psi, 5 mins was 2965 psi, 10 mins was 2070 psi, 15 mins was 1238 psi. RD Halliburton Services. Load left to recover was 144 bbls. RU sand line to swab. Opened up tubing and it was on a slight vacuum. IFL was 1000'. Swabbed well with 21 swab runs in 6 hours and recovered 93 bbls total fluid. Fluid level stayed between 3500' and 4500'. Started cutting approximately 5% oil on the 15th run with 77 bbls of fluid swabbed. Oil cut was still approximately 5% at the end of swabbing. SWI and SDON. Load left to recover is 51 bbls. Roustabout crew building tank battery.

Date : 11/27/2002

Activity: Swabbing

Days On Completion: 27

Remarks : This AM SITP was 410 psi. Opened up tubing to frac tank and bled tubing down. Began swabbing. Load left to recover is 51 bbls. IFL was 3500'. Oil cut on the 1st run was 90%. Swabbed well with 24 swab runs in 9.5 hours and recovered 50 bbls total fluid. Average oil cut was 23% for the day. Had good gas blows after each run. Ending fluid level was 6300'. Started pulling from the seating nipple (6705 KB) on the 11th run. Had recovered 39 bbls of total fluid at this point. Tagged fluid level started moving down to 6300' or until the swab could not effectively get out with much recovery. Waited 30 mins between the 23rd and 24th runs. Fluid level on the 24th run was at 6300'. Oil cut was approximately 50% on the last 2 runs. SWI and SD for holiday. Roustabout crew building tank battery.

Date : 11/28/2002

Activity: SD for Holiday

Days On Completion: 28

Date : 11/29/2002

Activity: SD for Holiday

Days On Completion: 29

Date : 11/30/2002

Activity: SD for Holiday

Days On Completion: 30

Date : 12/1/2002

Activity: SD for Holiday

Days On Completion: 31

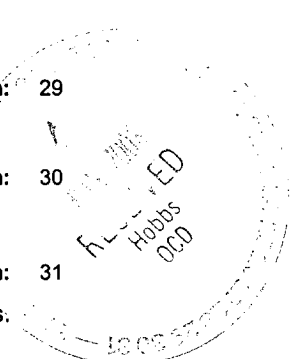
Remarks : Well has been shut in for holiday. This AM SITP is 670 psi. Well has been shut in for 89 hours.

Date : 12/2/2002

Activity: Swabbing

Days On Completion: 32

Remarks : This AM SITP was 700 psi. Opened up tubing to frac tank and well began flowing. Connected tubing to test separator. Opened well up on a 32/64" choke. 1st hour well flowed 17 bbls oil, 0 bbls water and 7 mcf gas. FTP was 100 psi. 2nd hour well flowed 0 bbls oil, 0 bbls water and 2 mcf. FTP was 0 psi. Began swabbing. Swabbed well from 2500' (IFL) to 5000' (EFL) with 15 swab runs in 7-1/4 hours. Recovered 66 bbls total fluid. Average oil cut was 50%. Well tried to flow after each of the first 4 swab runs, but it appeared that the water cut was still enough to where the tubing would load up and the pressure was not great enough to flow the water out. Gas blow after each run was very good. Totals for the day from flowing and swabbing was 58 BO and 25 BW water. SWI and SDON.



Matador Operating Company

Shelley 27 State #1
Sec. 27, T19S, R37E

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Lea County, New Mexico

Date : 12/3/2002

Activity: Swabbing

Days On Completion: 33

Remarks : This AM SITP was 430 psi. Opened up well to frac tank and well bled down in 1 hour. As pressure bled down to 0 psi, well started flowing fluid. Connected tubing to test separator. Opened well up on a 17/64" choke. Well flowed 16 bbls oil, 0 bbls water and 8.3 mcf gas in 6 hours. FTP was 75 psi. Well died and began swabbing. Swabbed well from 2500' (IFL) to 3800' (EFL) with 10 swab runs in 3-1/4 hours. Recovered 43 bbls total fluid. Average oil cut was 80%. Well tried to flow after each of the first 4 swab runs, but it appeared that the water cut was still enough to where the tubing would load up and the pressure was not great enough to flow the water out. Gas blow after each run was very good. Totals for the day from flowing and swabbing was 50 BO, 9 BW and 8.3 MCF in 9-3/4 hrs. LWOT test separator on a 17/64" choke and SDON.

Date : 12/4/2002

Activity: Swabbing

Days On Completion: 34

Remarks : Left well open to test separator overnight. This AM FTP was 0 psi. Well was dead. Made no fluid overnight and 2.9 mcf. Began swabbing. Swabbed well from 2100' (IFL) to 5600' (EFL) with 23 swab runs in 9 hours. Recovered 74 bbls total fluid from swabbing. Average oil cut was 60%. Started swabbing from seating nipple (6711') on the 13th run. Oil cut went from 75% on the 2nd run to 40% on the last run. Oil cut started showing to be emulsified on the 7th run through the rest of the day. Well flowed for 45 mins after the 1st swab run and recovered 6 bbls of oil and 1.7 mcf gas. Well flowed 15 mins after 2nd swab run but recovered no fluid. Gas blow after each run was very good. Totals for the day from flowing and swabbing was 56 BO, 24 BW and 1.7 MCF in 10 hours. LWOT test separator on a 17/64" choke and SDON.

Date : 12/5/2002

Activity: Swabbing

Days On Completion: 35

Remarks : Left well open to test separator overnight. This AM FTP was 0 psi. Well was dead. Made no fluid overnight and .8 mcf. Began swabbing. Swabbed well from 3000' (IFL) to 5100' (EFL) with 18 swab runs in 8.5 hours. Recovered 70 bbls total fluid from swabbing. Average oil cut was 57%. Started swabbing from seating nipple (6711') on the 17th run. Oil cut went from 75% on the 2nd run to 50% on the last run. Oil cut started showing to be emulsified on the 6th run through the rest of the day. Samples would cut 20% oil, 30% emulsion and 50% water. When demulsifier chemical was added sample would turn to 50% oil and 50% water. Well flowed for 1 hour after the 2nd swab run and recovered 1 bbl of oil and 1.5 mcf gas. Gas blow after each run was very good. Totals for the day from flowing and swabbing were 31 BO, 35 BW and 1.5 MCF in 9.5 hours. LWOT test separator on a 17/64" choke and SDON. Transport hauled water off of test tanks and transferred oil to stock tanks.

Date : 12/6/2002

Activity: Flow/Swab

Days On Completion: 36

Remarks : Left well open to test separator overnight. This AM FTP was 0 psi. Well was dead. Made no fluid overnight and .5 mcf. Began swabbing. Swabbed well from 2600' (IFL) to 5600' (EFL) with 17 swab runs in 7 hrs. Recovered 57 bbls. total fluid from swabbing. Average oil cut was 62%. Started swabbing from seating nipple (6711') on the 10th run. Oil cut went from 95% on the 2nd run to 45% on the last run. Oil cut started showing to be emulsified on the 6th run through the rest of the day. Samples would cut 60% oil, 20% emulsion and 40% water. When demulsifier chemical was added sample would turn to 40% oil and 60% water. Well flowed for 2 1/4 hrs. after the 2nd swab run and recovered 11 bbls. of oil and 9.8 mcf gas. Gas blow after each run was very good. Totals for the day from flowing and swabbing were 44 BO, 24 BW and 9.8 MCF in 9 1/4 hrs. LWOT test separator on a 17/64" choke and SDON. Roustabout crew building tank battery.

Date : 12/7/2002

Activity: Flow/Swab

Days On Completion: 37

Remarks : Left well open to test separator overnight. This AM FTP was 0 psi. Well was dead. Made no fluid overnight and 1.35 mcf. Began swabbing. Swabbed well from 2700' (IFL) to 4900' (EFL) with 9 swab runs in 4 1/4 hrs. Recovered 32 bbls. total fluid from swabbing. Average oil cut was 71%. Started swabbing from seating nipple (6711') on the 8th run. Oil cut went from 100% on the 1st run to 60% on the last run. Oil cut started showing to be emulsified on the 2nd run through the rest of the day. Samples would cut 60% oil, 20% emulsion and 20% water. When demulsifier chemical was added sample would turn to 60% oil and 40% water. Well flowed for 4 1/4 hrs. after the 1st swab run and recovered 23 bbls. of oil and 10.7 mcf gas. Gas blow after each run was very good. Totals for the day from flowing and swabbing were 48 BO, 7 BW and 10.7 MCF in 8 1/2 hrs. LWOT test separator on a 17/64" choke and SDON. Roustabout crew building tank battery.

Matador Operating Company

Shelley 27 State #1
Sec. 27, T19S, R37E

API #30-025-36022
Lea County, New Mexico

Date : 12/8/2002

Activity: Flow/Swab

Days On Completion: 38

Remarks : Left well open to test separator overnight. This AM FTP was 0 psi. Well was dead. Made no fluid overnight and 5.07 mcf. LWOTT for weekend.

Date : 12/9/2002

Activity: Perforate

Days On Completion: 39

Remarks : RU Lobo Trucking pump truck and pump 10 bbls. down tubing. Released packer and POH with tubing. RIH with 4 1/2" AS I RBP. Set RBP at 6750' K.B. RU Schlumberger and reverse circulated well clean with 79 bbls. fresh water. Pressure tested RBP to 500 psi. for 15 mins. Test was good. Spotted 20 bbls. 10# brine water. POH with tubing till EOT was at 6639' K.B. Reverse circulated hole with 30 bbls. fresh water to reverse out excess brine water. Spotted 750 gals. 15% NEFE, DI, LST, acid containing U66 demulsifier. POH with tubing and RBP retrieving tool. RU Schlumberger Wireline and perforated 4 1/2" casing with 3 1/8" expendable casing gun from 6631' - 6639' with 4 JSPF (32 holes), 18.5" penetration, .41" EH, 16.1 gram charges, 90 degree phasing. All shots fired. Started in hole with RBP retrieving tool, 2 3/8" x 4 1/2" CS I packer, 2 3/8" seating nipple and 27 stands of tubing. SWI and SDON. Tubing Detail:

206 2-3/8 J-55 8rd EUE	6504.51
2-3/8" SN	1.10
4-1/2" CSI Pkr	4.33
RBP Ret. Tool	1.50
KB Adj	12.00
EOT	6523.44

Date : 12/10/2002

Activity: Set packer

Days On Completion: 40

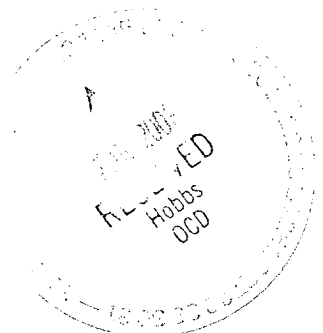
Remarks : Finish RIH with tubing. RU Schlumberger and reversed acid up into tubing with 18 bbls. Set packer in 15 points compression. Attempted to pressure test annulus with negative results. Worked packer to attempt to get it to hold, but still had communication between tubing and annulus. Attempted to pump acid into formation at 3000 psi, but formation would not take acid without exceeding pressure limitations of BOP. Pumped acid back out of tubing. Released packer and POH with tubing and packer. Removed BOP. Installed 7" frac valve to pump down casing. RU Schlumberger to frac valve. Loaded casing with 5 bbls. Pumping at rate of 1 bpm, broke formation at 4266 psi. Pressure broke back to 3170 psi. Increased rate to 2 bpm at 3300 psi. Pumped 25 bbls fresh water to flush all acid into formation. Pressure at end of job was 3419 psi at 2 bpm. ISIP was 3310 psi, 5 mins 3012 psi, 10 mins 2921 psi, 15 mins 2866 psi. RD Schlumberger. Load left to recover is 50 bbls. Bled pressure off of casing and removed frac valve. Installed BOP. RIH with RBP retrieving tool, 2-3/8" x 4-1/2" CST packer, 2-3/8" seating nipple, 206 joints 2-3/8" J-55 8rd eue tubing and 2-3/8" x 6' tubing sub. Spaced out tubing with collar at BOP flange. Set packer in 12 points compression. Began swabbing. Swabbed well from surface to 5800' (EFL) with 5 swab runs in 1 hour. Last 2 runs pulled swab from seating nipple (6527' KB). Recovered 32 bbls of water. No oil shows or gas. Load left to recover is 18 bbls. Left well open to test tank on a 17/64" choke. SDON.

Date : 12/11/2002

Activity: Swabbing

Days On Completion: 41

Remarks : This AM well made no fluid or gas overnight to tester. Well was dead. Began swabbing. Swabbed well from 6200' (IFL) to 6400' (EFL) with 6 swab runs in 9-3/4 hours. Each run was pulled from seating nipple (6527' KB). Recovered no fluid in tank. Fluid recovered on each run was barely enough to catch samples. Fluid entry was slow. Made swab runs every 2 hours. 1st run was 100% water. 2nd run had 25% oil, 5% BS&W and 70% water. The 6th run was 40% oil, 5% BS&W and 65% water. Had no gas shows. Left well open to tester and tank on a 17/64" choke. SDON.



Matador Operating Company

Shelley 27 State #1
Sec. 27, T19S, R37E

API #30-025-36022
Lea County, New Mexico

Date : 12/12/2002

Activity: Acidize

Days On Completion: 42

Remarks : This AM well made no fluid or gas overnight to tester. Well was dead. Made 1 swab run and tagged fluid level at 6400'. Recovered no fluid. RU Schlumberger and acidized formation with 2000 gals 15% NEFE, DI, LST acid containing UO66 demulsifier. Put 500 psi pressure on annulus. RU on tubing and pumped acid into formation with an average rate of 4 bpm and a average treating pressure of 4500 psi. Formation treated with acid on formation at 4225 psi at 4 bpm to a final treating pressure of 4891 at 4 bpm with all acid flushed to bottom perf. ISIP 3700 psi, 5 mins 3323 psi, 10 mins 3181 psi, 15 mins 3081 psi. RD Schlumberger. Load left to recover is 78 bbls. Bled pressure off tubing and began swabbing. Swabbed well from surface (IFL) to seating nipple (6527' KB) with 5 swab runs in 1 hour. Recovered 26 bbls of water. Fluid entry was slow. Shut down 1 hour between runs 5 and 6 and 2 hours between runs 6 through 9. Fluid entry was very little. Fluid recovery from swab runs 6 through 9 was barely enough to catch samples. Had 40% oil cut on the 7th run and 30% oil cut on the 8th and 9th runs. Total recovery for the day was 26 bbls in 7-3/4 hours. Left well open to tester and tank on a 17/64" choke. SDON.

Date : 12/13/2002

Activity: Swabbing

Days On Completion: 43

Remarks : This am well made no fluid or gas overnight to tester. Well had small amount of gas on tubing. Swabbed well from 6400' (IFL) to seating nipple with 5 swab runs in 8 hours. Recovered 1 bbl total fluid. Had small amount of gas on tubing after each run. Had 70% oil cut on 1st run and 80% on last run. Average oil cut was 67%. Fluid entry was slow. Shut down 2 hours between runs. Left well open to tester and tank on a 17/64" choke. SD for weekend.

Date : 12/14/2002

Activity: SDFWE

Days On Completion: 44

Remarks : This am well is dead.

Date : 12/15/2002

Activity: SDFWE

Days On Completion: 45

Remarks : This am well is dead.

Date : 12/16/2002

Activity: Swabbing

Days On Completion: 46

Remarks : This am well was dead. Swabbed well from 5300' (IFL) to seating nipple (6527' KB) with 5 swab runs in 5-1/4 hours. Recovered 3 bbls of total fluid. Average oil cut was 67%. Oil cut on the 1st run was 80% and was 50% on last run. Fluid entry was slow, shut down 2 hours between runs. Started swabbing from the seating nipple on the 1st run. RU Key pump truck and pumped 25 bbls water down tubing. Released packer and RIH with tubing and engaged RBP. Released RBP. POH with tubing and tools. Left well open to test tank on a 17/64" choke. SDON.

Date : 12/17/2002

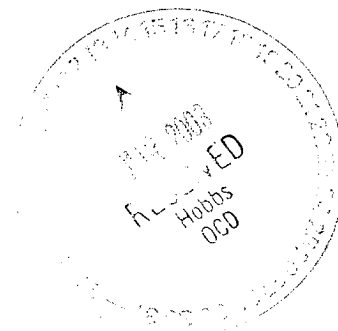
Activity: Run tbg and rods

Days On Completion: 47

Remarks : Opened up well. RIH with 2-7/8" J-55 Slotted Mud Anchor with 2-3/8" collars on each end, 2-3/8" x 4-1/2" Mod "B" TAC, 2-3/8" Slotted Seat Nipple, 2-3/8" Seat Nipple, 212 joints 2-3/8" J-55 8rd eue tubing. Removed BOP. Set TAC in 25' of stretch or 12 points tension. Installed wellhead flange and pumping tee. Picked up 2" x 1-1/4" x 16' RXBC pump with 1" x 16' gas anchor. SWI and shut down due to wind. Received 7/8" and 3/4" rods from Weatherford. Received pump, polish rod, liner and wellhead equipment from Andrews Pump.

Tubing Detail:

212 jts	2.375 J-55 8rd eue	6694.48
	2-3/8" SN	1.10
	2-3/8" Slotted SN	1.10
	4-1/2" TAC	3.15
	2-7/8" BP/MA	31.40
212 jts	total tubing and tools	6731.23
	KB Adjustment	15.50
	EOT	6746.73



Matador Operating Company

Shelley 27 State #1
Sec. 27, T19S, R37E

API #30-025-36022
Lea County, New Mexico

Date : 12/18/2002

Activity: Run rods

Days On Completion: 48

Remarks : Opened up well. RIH with 2" x 1-1/4" x 16' x 16' RHBC pump with equalizer valve and 1" x 16' gas anchor, (Pump No. MD-12), 3/4" x 1' sub, 176 3/4" Weatherford D67 rods with T-couplings (New), 90 7/8" Weatherford D67 rods with T-couplings (New), 4 7/8" x 8' x 6' x 4' x 4' Weatherford D67 rod subs with T-couplings (New), 1-1/4" x 22' polish rod with 1-1/2" x 10' polish liner. Hot oiler loaded tubing with 4 bbls produced water. Pressure test to 500 psi was good. Pump action was good. Spaced out and clamped off rods at stuffing box in preparation to set pumping unit. SWI and RDPU.

Rod Detail:

1-1/4" x 22' PR w/10' liner	22.00
4 7/8" x 8 x 6 x 4 x 4	22.00
90 7/8" Weatherford D67	2250.00
176 3/4" Weatherford D67	4400.00
3/4" Sub	1.00
2" x 1 1/4" x 16' RHBC	16.00
with 1" x 16' gas anchor	
	6711.00

Date : 12/19/2002

Activity: Set Pumping Unit

Days On Completion: 49

Remarks : Received 228 pumping unit from Tomsco. Nolan Brunson set pumping unit over wellhead and hung well on. Dixie Electric installed size 2 panel and ran service from generator to panel and then wired electric motor. Roustabout crew built wellhead off of pumping tee and casing valves and ran flowline to treater. Put well in service.

Date : 12/20/2002

Activity: Producing

Days On Completion: 50

Remarks : 0 oil, 0 MCF, 143 water, used oil to fill heater treater

Date : 12/21/2002

Activity: Producing

Days On Completion: 51

Remarks : 41 oil, 63 MCF, 22 water, reset

Date : 12/22/2002

Activity: Producing

Days On Completion: 52

Remarks : 66 oil, 66 MCF, 18 water, reset

Date : 12/23/2002

Activity: Producing

Days On Completion: 53

Remarks : 74 oil, 62 MCF, 8 water, reset

Date : 12/24/2002

Activity: Producing

Days On Completion: 54

Remarks : 66 oil, 65 MCF, 22 water

Date : 12/25/2002

Activity: Producing

Days On Completion: 55

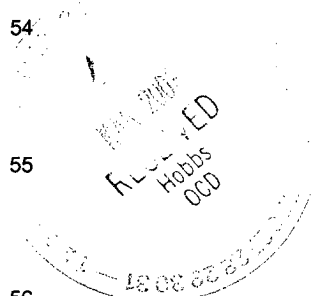
Remarks : 61 oil, 90 MCF, 18 water

Date : 12/26/2002

Activity: Producing

Days On Completion: 56

Remarks : 53 oil, 94 MCF, 2 water, reset

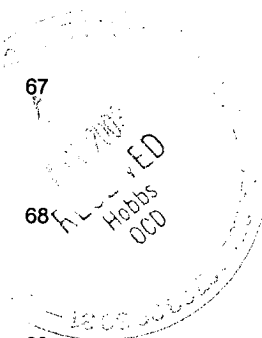


Matador Operating Company

Shelley 27 State #1
Sec. 27, T19S, R37E

API #30-025-36022
Lea County, New Mexico

Date : 12/27/2002 Activity: Producing Remarks : 55 oil, 85 MCF, 23 water	Days On Completion: 57
Date : 12/28/2002 Activity: Producing Remarks : 47 oil, 121 MCF, 19 water	Days On Completion: 58
Date : 12/29/2002 Activity: Producing Remarks : 44 oil, 117 MCF, 13 water	Days On Completion: 59
Date : 12/30/2002 Activity: Producing Remarks : 50 oil, 137 MCF, 17 water. Backhoe and roustabout crew built firewall around production equipment.	Days On Completion: 60
Date : 12/31/2002 Activity: Producing Remarks : 47 oil, 141 MCF, 23 water	Days On Completion: 61
Date : 1/1/2003 Activity: Producing Remarks : 42 oil, 138 MCF, 12 water	Days On Completion: 62
Date : 1/2/2003 Activity: Producing Remarks : 45 oil, 146 MCF, 12 water	Days On Completion: 63
Date : 1/3/2003 Activity: Producing Remarks : 41 oil, 149 MCF, 13 water	Days On Completion: 64
Date : 1/4/2003 Activity: Producing Remarks : 39 oil, 158 MCF, 10 water	Days On Completion: 65
Date : 1/5/2003 Activity: Producing Remarks : 39 oil, 153 MCF, 15 water	Days On Completion: 66
Date : 1/6/2003 Activity: Producing Remarks : 39 oil, 159 MCF, 10 water	Days On Completion: 67
Date : 1/7/2003 Activity: Producing Remarks : 39 oil, 161 MCF, 12 water	Days On Completion: 68
Date : 1/8/2003 Activity: Producing Remarks : 26 oil, 162 MCF, 12 water	Days On Completion: 69



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API #30-025-36022
Lea County, New Mexico

Date : 1/9/2003
Activity: Producing
Remarks : 33 oil, 166 MCF, 10 water

Days On Completion: 70

Date : 1/10/2003
Activity: Producing
Remarks : 33 oil, 167 MCF, 10 water, down 3 hours

Days On Completion: 71

Date : 1/11/2003
Activity: Producing
Remarks : 34 oil, 166 MCF, 11 water

Days On Completion: 72

Date : 1/12/2003
Activity: Producing
Remarks : 33 oil, 169 MCF, 10 water

Days On Completion: 73

Date : 1/13/2003
Activity: Producing
Remarks : 31 oil, 171 MCF, 12 water

Days On Completion: 74

Date : 1/14/2003
Activity: Producing
Remarks : 33 oil, 172 MCF, 10 water

Days On Completion: 75

Date : 1/15/2003
Activity: Producing
Remarks : 31 oil, 172 MCF, 10 water

Days On Completion: 76

Date : 1/16/2003
Activity: Producing
Remarks : 30 oil, 172 MCF, 10 water

Days On Completion: 77

Date : 1/17/2003
Activity: Producing
Remarks : 28 oil, 173 MCF, 10 water

Days On Completion: 78

Date : 1/18/2003
Activity: Producing
Remarks : 31 oil, 171 MCF, 11 water

Days On Completion: 79

Date : 1/19/2003
Activity: Producing
Remarks : 27 oil, 163 MCF, 10 water

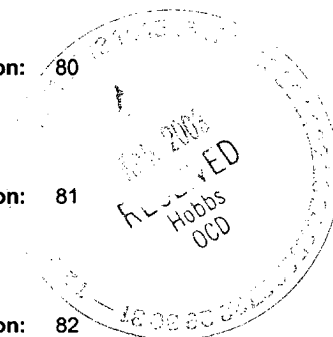
Days On Completion: 80

Date : 1/20/2003
Activity: Producing
Remarks : 31 oil, 212 MCF, 12 water, PTT

Days On Completion: 81

Date : 1/21/2003
Activity: Producing
Remarks : 28 oil, 174 MCF, 10 water

Days On Completion: 82



Matador Operating Company

Shelley 27 State #1
Sec. 27, T19S, R37E

API #30-025-36022
Lea County, New Mexico

Date : 1/22/2003

Activity: Producing

Days On Completion: 83

Remarks : 25 oil, 173 MCF, 12 water

Date : 1/23/2003

Activity: Producing

Days On Completion: 84

Remarks : 25 oil, 172 MCF, 10 water

Date : 1/24/2003

Activity: Producing

Days On Completion: 85

Remarks : 36 oil, 170 MCF, 5 water

