Form 3160-5
(April 2004)

NMOCD Hobbs

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OM B 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.

5. Lease Serial No.
NMNM58039

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
West Young 8 Fed

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
West Young 8 Federal #1 ✓

2. Name of Operator **Matador Production Company**

9. API Well No.
3002530503 ✓

3a. Address
PO BOX 1936 ~ ROSWELL NM 88202-1936

3b. Phone No. *(include area code)*
575.623.6601

10. Field and Pool, or Exploratory Area
Young; Bone Spring North

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1650' FSL & 990' FEL, Sec. 8 NESE, T18S, R32E

11. County or Parish, State
Lea, New Mexico

HOBBS OCD
JAN 25 2016
RECEIVED

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☑ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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.)

BLM Bond No. NMB0001079
Surety Bond No. RLB0015172

SEE ATTACHED FOR CONDITIONS OF APPROVAL

MATADOR MUST SUBMIT C-102 FOR NEW POOL KZ

ENTERED IN AFMSS

1. MIRU pulling unit. See COAs
2. POOH w/ rod string and pump. missing plugs
3. ND tubing head. NU BOP.
4. POOH w/ production tubing.
5. RIH w/ gauge ring on WL to 5,000'. POOH.
6. RIH w/ WL and set CIBP @ 4,950'. POOH. 25sx TAG
8. Test casing to max frac pressure.
8. RIH w/ WL and perforate Grayburg @: 4,658'-4,672'. 4,620'-4,634'. 4,540-4,545'.
9. Acidize perfs and swab test w/ pulling unit.
10. MIRU Frac equipment.
11. Frac perfs 4,658'-4,672'. 4,620'-4,634'. 4,540-4,545'. through 5.5" casing string.
12. RD Frac equipment.
13. Flowback well to OTT w/ gas buster.

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Tammy R. Link

Title **Production Tech**

Signature Tammy R. Link

Date **10/09/2015**

APPROVED
JAN 20 2016
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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)

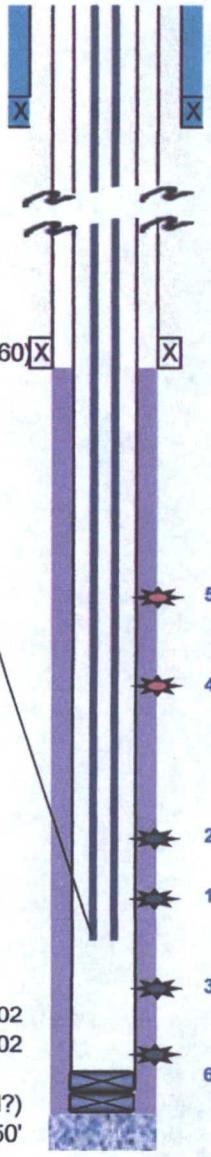
West Young 8 Federal #1
North Young, Bone Spgs
API #30-025-30503
1650' FSL & 990' Fel
I-8-18S-32E 931800-001
Lea County, NM
3788.3' GR (14.5 KB)
Harvey E. Yates Company

Wellbore Status as of : 12/05/06

Spud: 12/12/1988
TD: 9250' 1/2/1989
PBTD: 9189' 1/6/1989 (original)
PBTD: 9203' 8/9/2002 (current)
Completed: 3/3/1989

Surface Casing:
460' - 13 3/8" 54.5# J-55 ST&C
Cmtd w/475 sx cmt, TOC=surface
Intermediate Casing:
2653' - 8 5/8" 24#, 32# J-55 csg
Cmtd w/1050 sx cmt, TOC=surface
Production String
9250' - 5 1/2" 17# N-80, J-55 csg
Cmtd w/1225 sx cmt, TOC=2700'

DRAWING NOT TO SCALE.
by J Atkinson
updated by Cliff Humphreys 10/8/2015



(BP, MA, 4' perf sb, SN, 12, TAC, 260

Tubing: 254 jts 2 3/8"
Pump: 2 x 1 1/2 x 24' w/cumby wipers, 12' GA
Rods: 21-7/8, 235-3/4, 81-7/8, 1-2' pony

TAC @ 8145'
SN @ 8520'
MA @ 8555'

5. **Perf** (2/28/89) 5020-5040 w/2spf ****SQZD 7/30/02****
a/4100 gals 7.5% SRA & 80 bs (fair action), brk @ 2100#
f/50K gals BS-40 w/25% C02 & 54K# 16/30 Ottawa sd

4. **Perf** (2/23/89) 6254-62, 72-83 w/2spf ****SQZD 8/06/02****
a/4000 gals 15% SRA & 80 bs (fair action), brk @ 2000#
f/22.5K gals& 45,720# 16/30 sd & 16/30 Super LC

2. **Perf** (1/23/89) **1st Sands** @ 7912-15, 47-81 w/2spf
a/4100 gals 7.5% SRA & 36 bs, brk 2600#, ballout

1. **Perf** (1/7/99) **"B" Zone Carb** @ 8410-22 & 8450-60 w/2 spf
a/4500g 20% SRA & 92 bs (ballout), a/10000g 28% NEFE and 10K gals wtr o.f. & 28 bs, a/10K gals 28% NEFE & 15K gals o.f.

3. **Perf** (2/1/89) **2nd Sand** @ 8678-8910 w/2 spf
a/3200 gals 7.5% SRA & 24 bs (ballout), brk @ 2700#
o.f. & 28 bs, a/10K gals 28% NEFE & 15K gals o.f.

6. **Perf** (8/10/02) **2nd Sand** @ 8676-8914 w/1 spf
a/3250 gals 15% NEFE & 90 bs (ball out)
frac w/89100# 20-40 Econoprop, 21.5K gal Medallion 3500, 29K gals Medallion 3500 3500 Sand L, 3108 gals 35# linear flush

11/10/01 Set CIBP @ 7100' push to 9203' 8/02
1/5/89 Set CIBP @ 6210', pushed to btm 8/02

by CBL, PBTD: 9189' (fill?)
TD 9250'

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North Young, Bone Spgs
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1650' FSL & 990' Fel
I-8-18S-32E 931800-001
Lea County, NM
3788.3' GR (14.5 KB)
Harvey E. Yates Company

Proposed Wellbore 08/08/14

Spud: 12/12/1988
TD: 9250' 1/2/1989
PBTD: 9189' 1/6/1989 (original)
PBTD: 9203' 8/9/2002 (current)
Completed: 3/3/1989

DRAWING NOT TO SCALE.
by J Atkinson
updated by Cliff Humphreys 10/7/2015

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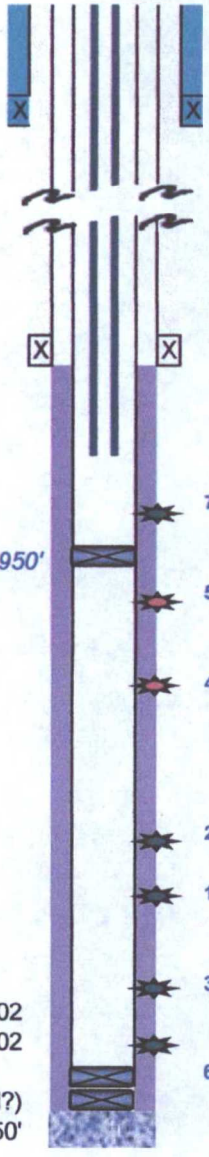

Tubing: 141 jts

Rods: 180 jts

Proposed CIBP @ 4,950'

7. **Perf** (Proposed) 4,540'- 4,545', 4,620'-4,634, 4,658' - 4,672'.

5. **Perf** (2/28/89) 5020-5040 w/2spf ****SQZD 7/30/02****
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by CBL, PBTD: 9189' (fill?)
TD 9250'

West Young 8 Federal 1
30-025-30503
Matador Production Company
January 20, 2016
Conditions of Approval

Notify BLM at 575-393-3612 a minimum of 24 hours prior to commencing work.

Work to be completed by April 20, 2016.

1. **Operator shall place CIBP at 7,862' (50'-100' above top most perf) and place 25sx of Class H cement on top. WOC and tag.**

2. **Operator shall place a balanced Class C cement plug from 6,333'-6,168' to seal the top of the Bone Spring formation.**

3. **Operator shall place CIBP at 4,950' (50'-100' above top most perf) and place 25sx of Class C cement on top. WOC and tag a minimum of 4,783' to seal the top of the Delaware formation.**

4. **Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM. The CIT is to be performed on the production casing to max treating pressure. Notify BLM if test fails**

5. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.

6. Surface disturbance beyond the originally approved pad must have prior approval.

7. Closed loop system required.

8. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

9. Operator to have H2S monitoring equipment on location.

10. A minimum of a **3000 (3M)** BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (3M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

11. **Subsequent sundry required detailing work done, C-102 form, and completion report with the new formation. Operator to include well bore schematic of current well condition when work is complete.**

12. **See attached for general requirements.**

JAM 012016

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Production Zone Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from this approval.

If you are unable to plug back the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.

2. **Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822. For wells in Lea County, call 575-393-3612**

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either **Neat Class "C"**, for up to 7,500 feet of depth or **Neat Class "H"**, for deeper than 7,500 feet plugs.

6. Subsequent Plug back Reporting: Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date work was completed.**

7. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.