OCD Hobbs

Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD
JUL 03 2017
RECEIVED

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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 page 2

5. Lease Serial No.
NMNM073240

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

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

8. Well Name and No.
FEDERAL 30 123H

2. Name of Operator
MATADOR PRODUCTION COMPANY

Contact: TAMMY R LINK
E-Mail: tlink@matadorresources.com

9. API Well No.
30-025-42467

3a. Address
5400 LBJ FREEWAY, SUITE 1500
DALLAS, TX 75240

3b. Phone No. (include area code)
Ph: 575-627-2465

10. Field and Pool or Exploratory Area
GEM

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 30 T19S R33E Mer NMP NWNE 330FNL 2030FEL

11. County or Parish, State
LEA COUNTY, NM

12. CHECK THE 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	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original APD
	☐ 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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

1. This Sundry replaces original 3160-5 dated 4/20/2017 Identifier 00852-51059;
2. NOTE that this well is expected to SPUD 7/2/17, we request response and approval by 6/26/17;
3. Attached C-102 is a replacement of approved C-102;
4. Please note SHL relocation from 330' FNL and 2030' FEL to SHL: 227' FNL 2027' FEL Sec. 30 T19S, R33E;
5. Please note BHL relocation from 330' FSL and 1980' FEL to 240' FSL 1975' FEL Sec. 30 T19S, R33E;
6. See revised Drill Plan changing; casing program, casing and cement depths, pressure control, testing logging and coring program, downhole conditions and mud program, along with its corresponding exhibits and diagrams;

No Surface Disturbance

6/21/2017 Engineering Review completed by M Hoyle. SEE COA

DOI-BLM-NM-P020-2014-1395-EA

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #377894 verified by the BLM Well Information System
For MATADOR PRODUCTION COMPANY, sent to the Hobbs
Committed to AFMSS for processing by DEBORAH MCKINNEY on 06/06/2017 ()

Name *(Printed/Typed)* TAMMY R LINK — Title PRODUCTION ANALYST

Signature (Electronic Submission) — Date 06/02/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

for Approved By _____ — Title AFM - L&M — Date 06/26/17

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 CFO

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)

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

KZ

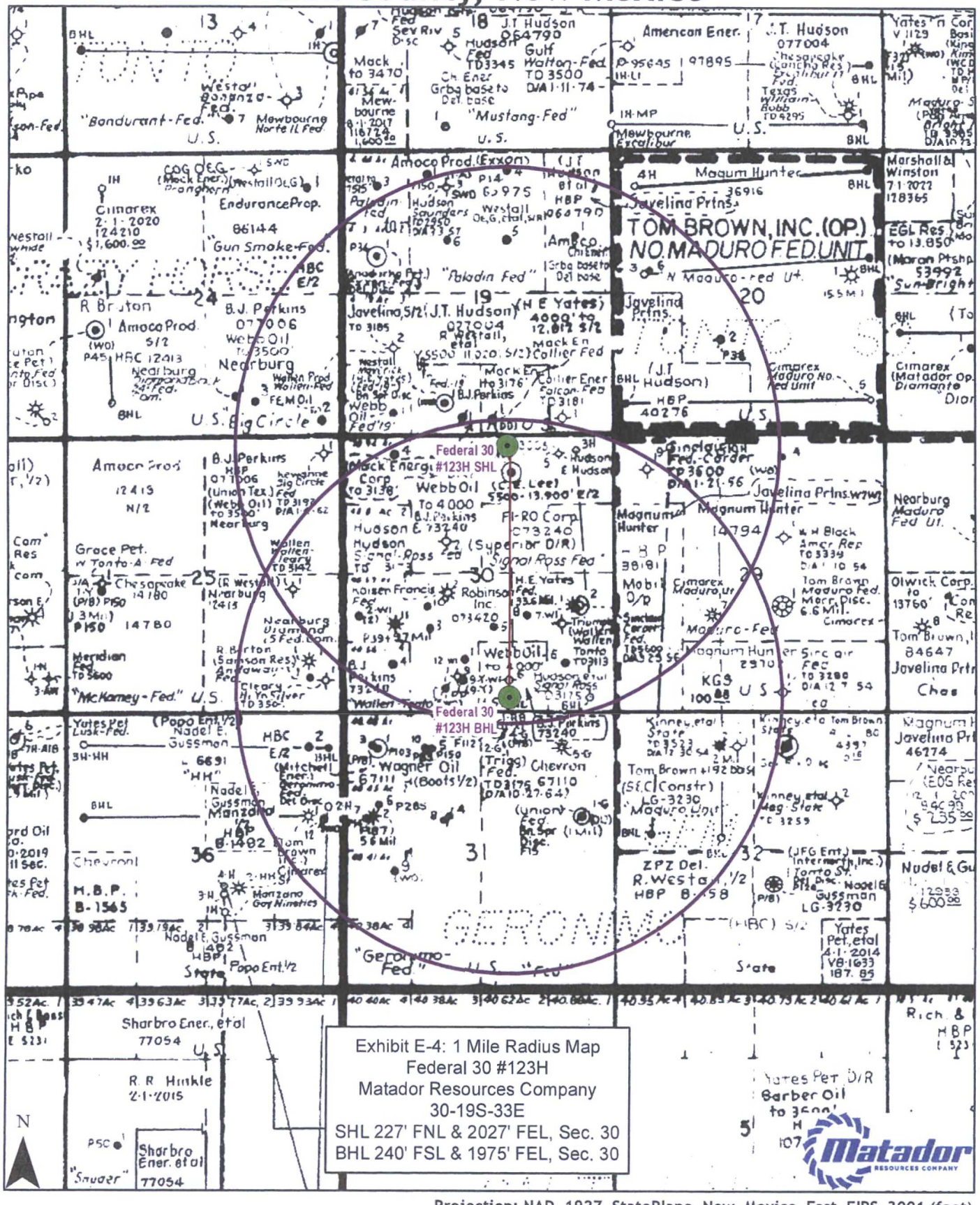
PART 1 OF 5

Additional data for EC transaction #377894 that would not fit on the form

32. Additional remarks, continued

7. See attached revised 1 mile radius map;
8. See attached pad location layout;
9. See revised Matador H2S emergency contacts;
10. See attached Matador H2S Drilling plan;
11. See attached Matador H2S contingency plan.

Lea County, New Mexico



Projection: NAD_1927_StatePlane_New_Mexico_East_FIPS_3001 (feet)

1 inch = 2,500 feet

0	2,500	5,000	10,000 Feet

Date: April 19, 2017
filename: Federal30OneMileRadius_Plat
Sources: IHS Energy; Midland Map Company; Environmental Systems Research Institute [ESRI];

Matador Production Company
Federal 30#123H
SHL: 227' FNL 2027' FEL sec 30 T19S R33E
BHL: 240' FSL 1975' FEL sec 30 T19S R33E
Lea County, NM

Drilling Program

1. ESTIMATED TOPS

Formation Name	Est Top	Bearing
Rustler	1159	N/A
Salt	1407	N/A
BX (Base of Salt)	2724	N/A
Yates	2932	N/A
Seven Rivers	3275	N/A
Bowers	3661	N/A
Capitan Reef	3699	Water
Cherry Canyon	4944	Hydrocarbons
Brushy Canyon	6129	Hydrocarbons
Bone Spring LS	7859	Hydrocarbons
1st Bone Spring Sand	8938	Hydrocarbons
2nd Bone Spring Carbonate	9338	Hydrocarbons
2nd Bone Spring Sand	9610	Hydrocarbons
3rd Bone Spring Sand	10437	Hydrocarbons
Wolfcamp	10964	Hydrocarbons

2. NOTABLE ZONES

Closest water well (L 07023) is 9,837.63 to the southeast. Depth of well is 262 feet and depth to water is 185 feet.

3. PRESSURE CONTROL – SEE BOP

See Exhibit E-1. A BOP stack consisting of 3 rams with 2 pipe rams, 1 blind ram and 1 annular preventer will be installed. The BOP will be used below intermediate 1 casing to TD. See attachments for BOP and choke manifold diagrams.

An accumulator that meets the requirements of Onshore Order 2 for the pressure rating of the BOP stack will be present. Rotating head will be installed as needed.

Pressure tests will be conducted before drilling out from under all casing strings. BOP will be inspected and operated as recommended in Onshore Order 2. Kelly cock and sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position.

A third party company will test the BOPs. Test pressures will be as follows. : On the intermediate 1 casing, pressure tests will be made to 250 psi low and 2000 psi high. On the intermediate 2 casing, pressure tests will be made to 250 psi low and 3000 psi high. The annular preventer will be tested to 250 psi low and 2500 psi high on the intermediate 1 casing, and 250 psi low and 2500 psi high on the intermediate 2 casing. In the case of running a speed head with landing mandrel for 9-5/8" casing the initial intermediate 1 casing test pressures will be 250 psi low and 3000 psi high with wellhead seals tested to 5000 psi once the 9-5/8" casing has been landed and cemented.

Matador requests a variance for a 2M annular to be installed after running 20" casing.

Matador Resources requests a variance to drill this well using a co-flex line between the BOP and choke manifold. Certification for proposed co-flex hose is attached (see Exhibit E-2). The hose is not required by the manufacturer to be anchored. In the event the specific hose is not available, one of equal or higher rating will be used.

4. CASING & CEMENT

Name	Hole Size	Casing Size	Wt/Grade	Thread Collar	Setting Depth	Top Cement
Surface	26"	20" (new)	133# K-55	BTC	1270	Surface
Intermediate 1	17-1/2"	13-3/8" (new)	68# J-55	BTC	3200	Surface
Intermediate 2	12-1/4"	9-5/8" (new)	40# J-55	BTC	5000	Surface
Production	8-3/4"	5-1/2" (new)	20# P-110	DWC/C	14320	3615

Minimum Safety Factors: Burst 1.125 Collapse: 1.125 Tension: 1.8

Cementing Program:

Name	Type	Sacks	Yield	Weight	Blend
Surface	Lead	1669	1.75	13.5	Class C + 3% NaCl + LCM
	Tail	655	1.38	14.8	Class C + 5% NaCl + LCM
TOC = 0'		100% Excess			Centralizers per Onshore Order 2.III.B.1f

Intermediate 1	Lead	1477	2.09	12.6	Class C + Bentonite + 1% CaCL2 + 8% NaCl + LCM
	Tail	644	1.38	14.8	Class C + 5% NaCl + LCM
TOC = 0'		100% Excess			2 on btm jt, 1 on 2nd jt, 1 every 4th jt to surface
Intermediate 2	Lead	670	2.48	11.9	Class C + Bentonite + 2% CaCL2 + 3% NaCl + LCM
	Tail	497	1.26	14.4	Class C + 5% NaCl + LCM
TOC = 0'		100% Excess			2 on btm jt, 1 on 2nd jt, 1 every 4th jt to surface
Production	Lead	671	2.25	11.5	TXI + Fluid Loss + Dispersant + Retarder + LCM
	Tail	1484	1.38	13.2	TXI + Fluid Loss + Dispersant + Retarder + LCM
TOC = 3615'		35% Excess			2 on btm jt, 1 on 2nd jt, 1 every 5th jt to top of tail cement (1000' above TOC)

5. MUD PROGRAM

An electronic Pason mud monitoring system satisfying the requirements of Onshore Order 1 will be used. All necessary mud products for weight addition and fluid loss control will be on location at all times. Mud program is subject to change due to hole conditions.

Name	Hole Size	Mud Weight	Visc	Fluid Loss	Type Mud
Surface	20"	8.40	28	NC	FW Spud Mud
Intermediate 1	17-1/2"	10.00	30-32	NC	Brine Water
Intermediate 2	12-1/4"	8.4-8.6	28-30	NC	FW
Production	8-3/4"	9.00	30-32	NC	FW/Cut Brine

6. CORES, TESTS, & LOGS

No core or drill stem test is planned.

A 2-person mud-logging program will be used from 3400' to TD.

No electric logs are planned. GR will be collected through the MWD tools from intermediate 2 casing to TD. CBL with CCL will be run as far as gravity will let it fall to TOC.

7. DOWN HOLE CONDITIONS

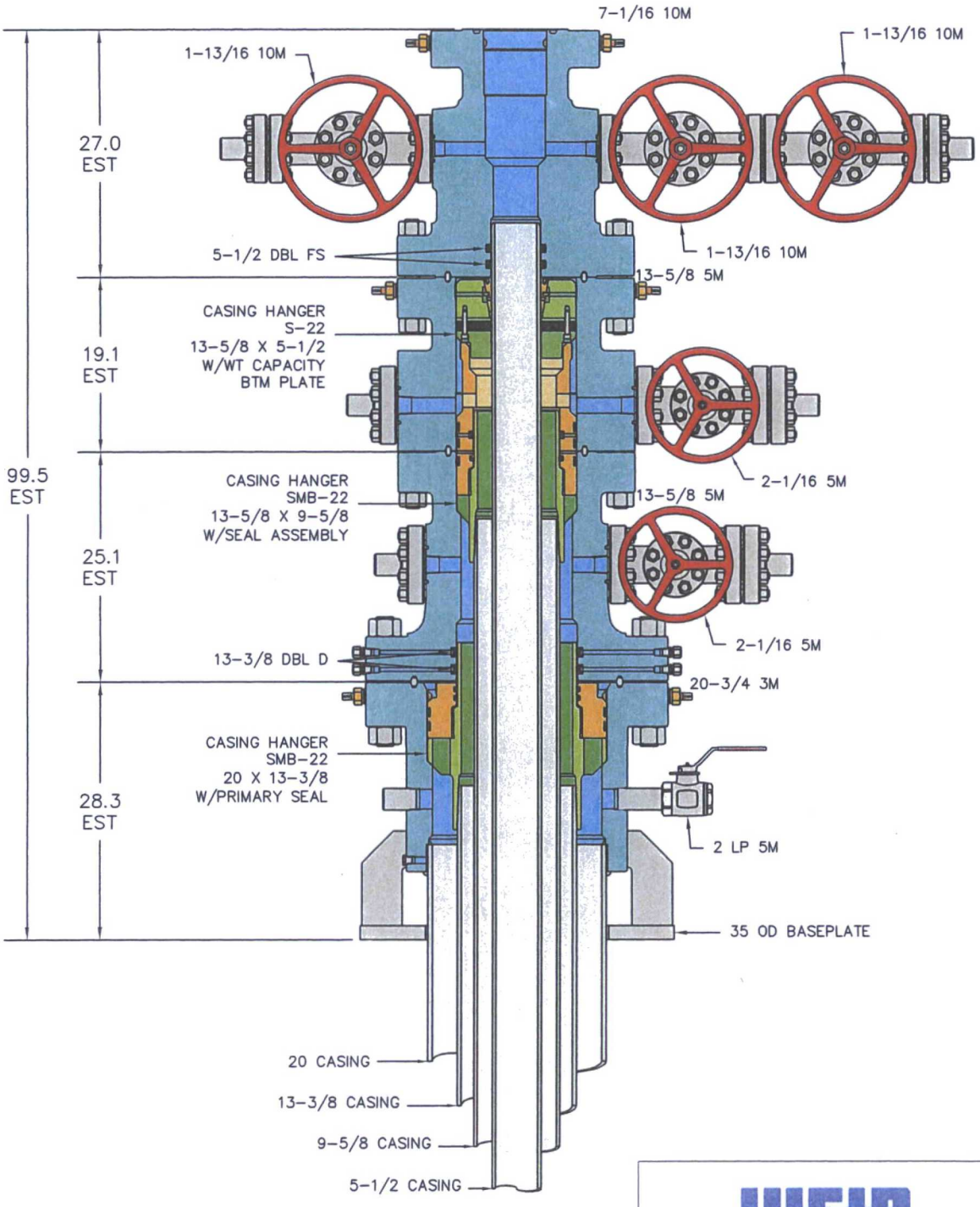
No abnormal pressure or temperature is expected. Maximum expected bottom hole pressure is ≈4987 psi. Expected bottom hole temperature is ≈150° F.

In accordance with Onshore Order 6, Matador does not anticipate that there will be enough H_2S from the surface to the Bone Spring to meet the BLM's minimum requirements for the submission of an "H_2S Drilling Operation Plan" or "Public Protection Plan" for the drilling and completion of this well. Since Matador has an H_2S safety package on all wells, attached is an "H_2S Drilling Operations Plan". Adequate flare lines will be installed off the mud/gas separator where gas may be flared safely. All personnel will be familiar with all aspects of safe operation of equipment being used.

8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take ≈3 months to drill and complete the well.

MATADOR PROD. CO.



NOTE:
DIMENSIONS SHOWN ON THIS DRAWING ARE ESTIMATES ONLY AND CAN VARY SIGNIFICANTLY DEPENDING ON RAW MATERIAL LENGTHS. NO GUARANTEE OF STACKUP HEIGHT IS IMPLIED. DIMENSIONS SHOWN SHOULD BE CONSIDERED FOR REFERENCE PURPOSES ONLY.

WEIR

10,000 PSI WELLHEAD ASSEMBLY
20 X 13-3/8 X 9-5/8 X 5-1/2

DRAWN BY:	RPL	SCALE	1:14	DATE	09JAN17	REV
CHECKED BY:		DRAWING NO.	P-21906			
APPROVED BY:						

Exhibit E-2: Co-Flex Certifications
Federal 30 #124H
Matador Resources Company

R809

March 10, 2015

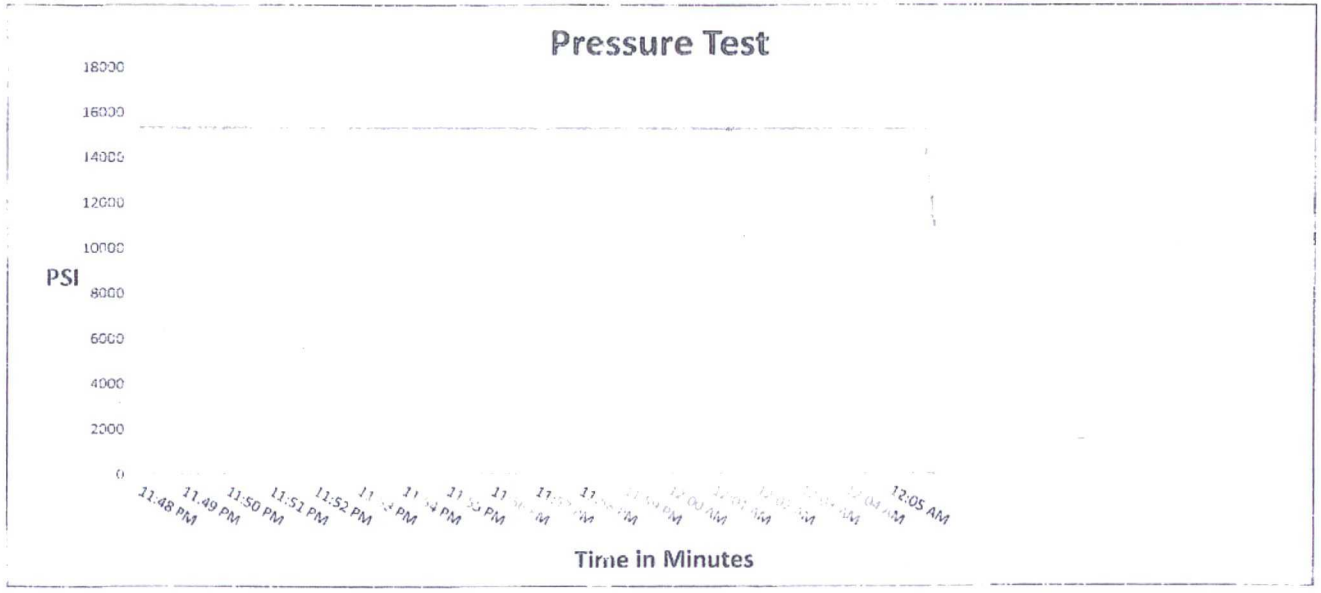
Midwest Hose & Specialty, Inc.

Internal Hydrostatic Test Graph

Customer: Patterson B&E

Pick Ticket #: 296283

Hose Specifications		Verification	
Hose Type	**Length**	**Type of Fitting**	**Coupling Method**
Mud	50'	2"1502	Swage
I.D.	**O.D.**	**Die Size**	**Final O.D.**
2"	3.47"	97MM	4.03"
Working Pressure	**Burst Pressure**	**Hose Serial #**	**Hose Assembly Serial #**
10000 PSI	Standard Safety Multiple - Applies	11839	296283



Test Pressure	Time Held at Test Pressure	Actual Burst Pressure	Peak Pressure
15000 PSI	17 3/4 Minutes		15361 PSI

Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: *Richard Davis*

Approved By: *Ryan Adams*

Exhibit E-2: Co-Flex Certifications
Federal 30 #124H
Matador Resources Company

Midwest Hose
& Specialty, Inc.

Internal Hydrostatic Test Certificate

General Information		Hose Specifications	
Customer	PATTERSON B&E	Hose Assembly Type	Choke & Kill
MWH Sales Representative	AMY WHITE	Certification	API 7K/FSL Level 2
Date Assembled	3/10/2015	Hose Grade	MUD
Location Assembled	OKC	Hose Working Pressure	10000
Sales Order #	245805	Hose Lot # and Date Code	11839-11/14
Customer Purchase Order #	270590	Hose I.D. (Inches)	2"
Assembly Serial # (Pick Ticket #)	296283	Hose O.D. (Incnes)	3.99"
Hose Assembly Length	50'	Armor (yes/no)	YES

Fittings

End A		End B	
Stem (Part and Revision #)	R2.0X32M1502	Stem (Part and Revision #)	RF2.0 32F1502
Stem (Heat #)	14104546	Stem (Heat #)	A144853
Ferrule (Part and Revision #)	RF2.0 10K	Ferrule (Part and Revision #)	RF2.0 10K
Ferrule (Heat #)	41044	Ferrule (Heat #)	41044
Connection . Flange Hammer Union Part		Connection (Part #)	
Connection (Heat #)		Connection (Heat #)	
Nut (Part #)	2" 1502 H2S	Nut (Part #)	
Nut (Heat #)		Nut (Heat #)	
Dies Used	97MM	Dies Used	97MM

Hydrostatic Test Requirements

Test Pressure (psi)	15,000	*Hose assembly was tested with ambient water temperature.*
Test Pressure Hold Time (minutes)	17 3/4	

Date Tested	Tested By	Approved By
3/10/2015		

Midwest Hose
& Specialty, inc.

Certificate of Conformity

Customer: **PATTERSON B&E**	*Customer P.O.#* **270590**
Sales Order # **245805**	*Date Assembled:* **3/10/2015**

Specifications

Hose Assembly Type:	**Choke & Kill**		
Assembly Serial #	**296283**	*Hose Lot # and Date Code*	**11839-11/14**
Hose Working Pressure (psi)	**10000**	*Test Pressure (psi)*	**15000**

We hereby certify that the above material supplied for the referenced purchase order to be true according to the requirements of the purchase order and current industry standards.

Supplier:
Midwest Hose & Specialty, Inc.
3312 S I-35 Service Rd
Oklahoma City, OK 73129

Comments:

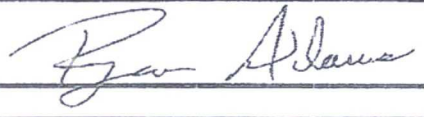
Approved By	*Date*
	**3/19/2015**

Exhibit E-2: Co-Flex Certifications
Federal 30 #124H
Matador Resources Company

R 809 · Choke & kell Hoses

December 24, 2014

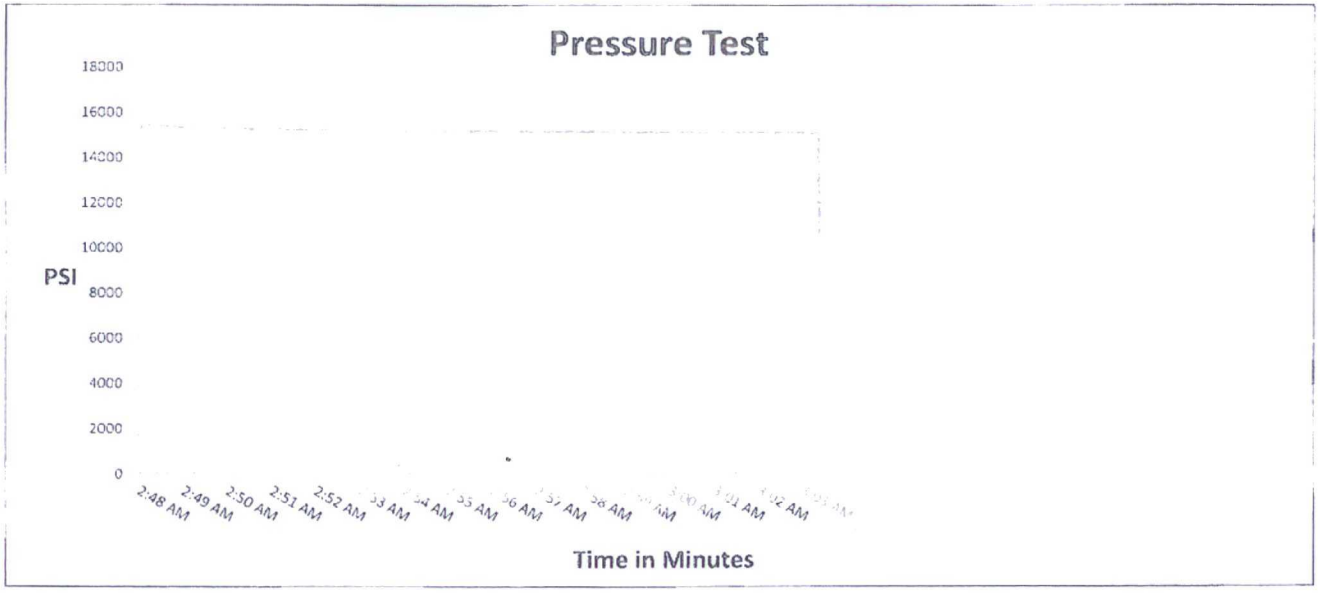
Midwest Hose & Specialty, Inc.

Internal Hydrostatic Test Graph

Customer: Patterson

Pick Ticket #: 286159

Hose Specifications		Verification	
Hose Type	**Length**	**Type of Fitting**	**Coupling Method**
Ck	50'	2" 1502	Swage
I.D.	**O.D.**	**Die Size**	**Final O.D.**
2"	3.55"	97MM	3.98"
Working Pressure	**Burst Pressure**	**Hose Serial #**	**Hose Assembly Serial #**
10000 PSI	Standard Safety Multiplier Applies	11784	286159



Test Pressure	Time Held at Test Pressure	Actual Burst Pressure	Peak Pressure
15000 PSI	15 1/4 Minutes		15410 PSI

Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: *Tyler Hill*

x

Approved By: *Ryan Adams*

Midwest Hose
& Specialty, Inc.

Internal Hydrostatic Test Certificate

General Information		Hose Specifications	
Customer	PATTERSON B&E	Hose Assembly Type	Choke & Kill
MWH Sales Representative	AMY WHITE	Certification	API 7K/FSL Level 2
Date Assembled	12/23/2014	Hose Grade	MUD
Location Assembled	OKC	Hose Working Pressure	10000
Sales Order #	237566	Hose Lot # and Date Code	11784-10/14
Customer Purchase Order #	261581	Hose I.D. (Inches)	2"
Assembly Serial # (Pick Ticket #)	286159	Hose O.D. (Inches)	4.00"
Hose Assembly Length	50'	Armor (yes/no)	YES

Fittings

End A		End B	
Stem (Part and Revision #)	R2.0X32M1502	Stem (Part and Revision #)	R2.0X32M1502
Stem (Heat #)	M14104546	Stem (Heat #)	M14101226
Ferrule (Part and Revision #)	RF2.0 10K	Ferrule (Part and Revision #)	RF2.0 10K
Ferrule (Heat #)	41044	Ferrule (Heat #)	41044
Connection Flange Hammer Union Part	2"1502	Connection (Part #)	
Connection (Heat #)	2866	Connection (Heat #)	
Nut (Part #)		Nut (Part #)	
Nut (Heat #)		Nut (Heat #)	
Dies Used	97MM	Dies Used	97MM

Hydrostatic Test Requirements

Test Pressure (psi)	15,000	*Hose assembly was tested with ambient water temperature.*
Test Pressure Hold Time (minutes)	15 1/4	

Date Tested	Tested By	Approved By
12/24/2014	Tyler Hall	Ryan Adams

Midwest Hose
& Specialty, Inc.

Certificate of Conformity

Customer: **PATTERSON B&E**	*Customer P.O.#* **261581**
Sales Order # **237566**	*Date Assembled:* **12/23/2014**

Specifications

Hose Assembly Type:	**Choke & Kill**		
Assembly Serial #	**286159**	*Hose Lot # and Date Code*	**11784-10/14**
Hose Working Pressure (psi)	**10000**	*Test Pressure (psi)*	**15000**

We hereby certify that the above material supplied for the referenced purchase order to be true according to the requirements of the purchase order and current industry standards.

Supplier:
Midwest Hose & Specialty, Inc.
3312 S I-35 Service Rd
Oklahoma City, OK 73129

Comments:

Approved By	*Date*
Ryan Adams	12/29/2014

Exhibit E-2: Co-Flex Certifications
Federal 30 #124H
Matador Resources Company

Midwest Hose
& Specialty, Inc.

Internal Hydrostatic Test Certificate

General Information		Hose Specifications	
Customer	PATTERSON B&E	Hose Assembly Type	Choke & Kill
MWH Sales Representative	AMY WHITE	Certification	API 7K/FSL Level 2
Date Assembled	3/10/2015	Hose Grade	MUD
Location Assembled	OKC	Hose Working Pressure	10000
Sales Order #	245805	Hose Lot # and Date Code	11839-11/14
Customer Purchase Order #	270590	Hose I.D. (Inches)	2"
Assembly Serial # (Pick Ticket #)	296283	Hose O.D. (Inches)	3.99"
Hose Assembly Length	50'	Armor (yes/no)	YES

Fittings			
End A		End B	
Stem (Part and Revision #)	R2.0X32M1502	Stem (Part and Revision #)	RF2.0 32F1502
Stem (Heat #)	14104546	Stem (Heat #)	A144853
Ferrule (Part and Revision #)	RF2.0 10K	Ferrule (Part and Revision #)	RF2.0 10K
Ferrule (Heat #)	41044	Ferrule (Heat #)	41044
Connection . Flange Hammer Union Part		Connection (Part #)	
Connection (Heat #)		Connection (Heat #)	
Nut (Part #)	2" 1502 H2S	Nut (Part #)	
Nut (Heat #)		Nut (Heat #)	
Dies Used	97MM	Dies Used	97MM

Hydrostatic Test Requirements		
Test Pressure (psi)	15,000	Hose assembly was tested with ambient water temperature.
Test Pressure Hold Time (minutes)	17 3/4	

Date Tested	Tested By	Approved By
3/10/2015		