

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

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

Form C-103
Revised March 25, 1999

WELL API NO.
30-025-36162

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

Shelley 36 State

8. Well No.
1

9. Pool name or Wildcat
Skaggs; Drinkard

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 F : 2310 feet from the North line and 1980 feet from the West line

Section 36

Township 19S Range 37E

NMPM

Lea County

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

3595 GL

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 ☐

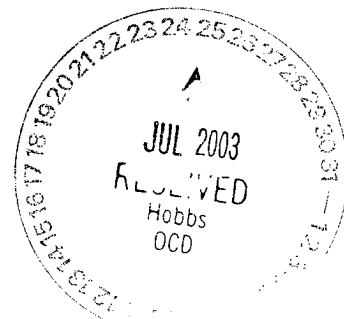
COMMENCE DRILLING OPNS. ☐ PLUG AND ☐

CASING TEST AND CEMENT JOB ☐ ABANDONMENT

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 7/23/03

Type or print name Russ Mathis Telephone No. (432) 688-9771

(This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE AUG 07 2003
Conditions of approval, if any:

Matador Operating Company

Shelley 36 State #1
Sec. 36, T19S, R37E

API #30-025-36162
Lea County, New Mexico

Date : 3/14/2003

Activity: RD

Days On Completion: 1

Remarks : Fin ND BOP & NU tbghd. Rel Patterson #76 @ 1400 hrs on 3/13/03. Will move to Laughlin #10 next. Will be moving over the weekend.

Date : 3/17/2003

Activity: MIRUPU

Days On Completion: 4

Remarks : MORT. Backhoe leveled location. Vacuum truck emptied cellar. Roustabout crew plumbed cellar valves to surface. Backhoe filled cellar. Set mast anchors. MIRUPU. Received 251 joints 2-7/8" EUE 8rd 6.5# L-80 tubing. Removed thread protectors and measured pipe. Set in reverse equipment and filled pit. Cameron removed tubing head, installed seal and re-tested.

Date : 3/18/2003

Activity: Drill DV

Days On Completion: 5

Remarks : Cleaned, inspected tubing and installed clean thread protectors on pins. NU 7-1/16" 5K Hyd BOP. Tested blind rams, casing, wellhead and BOP to 1000 psi. RIH with 4-3/4" Varel bit, 5-1/2" casing scrapper, 4 3-1/2" DC and 2-7/8" tubing. Tagged up at 4057'. RU swivel, drilled cement to 4070'. Drilled closing plug and DV tool. Ran one more joint with swivel. Closed kelly cock, pipe rams and tested to 1000 psi. LD swivel. RIH with tubing to 4630 and tagged up. Rotated pipe with tubing tongs without success. RU swivel and drilled DV debris. Circulated hole clean and LD swivel. RIH with tubing to 5671 and tagged up. PU swivel, circulated three mins and drilled DV debris. Circulated bottoms up with more DV debris. Ran one joint and LD swivel. CIH with tubing. Tagged up at 7720'. Laid down 2 joints and circulated hole clean. SWI, SDON.

Date : 3/19/2003

Activity: Drill Cement

Days On Completion: 6

Remarks : Hooked up choke manifold and tested to 1000 psi - ok. Drilled on junk and rubber from 7730 to 7740. Plugged bit. Worked valves until we unplugged bit. Drilled cement from 7740 to 7773. Circulated hole clean. Laid down swivel. Tripped out of hole. Laid down bit and casing scrapper. Picked up 33 type bit, 11 3-1/2" drill collars. Ran 2 joints tubing. Installed safety valve. Closed rams and shut down due to wind.

Date : 3/20/2003

Activity: Drill Cement

Days On Completion: 7

Remarks : Finished TIH to 7741. Washed down to 7773'. Drilled cement from 7773 to 7800. Circulated hole clean. Drilled formation from 7800 to 7840. Circulated samples. Spotted 3 gals SS105 across open hole. Pulled up to 7743'. Installed safety valve. Closed rams and shut down for the night. From 7820 to 7840, lost 30 bbls in 2 hours. Mud loggers report: at 7840' 100% dolomite. Drilling rate 10 ft/hour. 7820-7840', 15% fluor, 15% cut, slight yellow streamers with sm yellow residue.

Date : 3/21/2003

Activity: Drill Cement

Days On Completion: 8

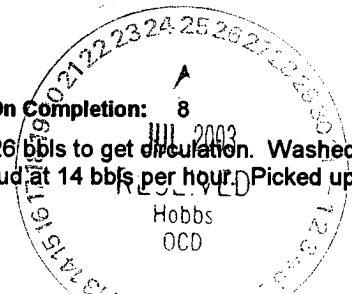
Remarks : Tubing and casing were both on vacuum. Picked up 3 joints of tubing. Pumped 26 bbls to get circulation. Washed 35 feet to bottom. No fill. Drilled from 7840 to 7893'. At 7854' we started to loose mud at 14 bbls per hour. Picked up and laid down 4 joints of tubing with bit at 7769'. Closed well in for the night.

Date : 3/22/2003

Activity: Drill Cement

Days On Completion: 9

Remarks : Tubing and casing both on vacuum. Pumped 20 bbls fresh water down casing. TOH for bit. Changed bit and TIH to 7879'. Washed 14' to bottom. Drilled from 7893 to 7930'. Weight on bit 7000. RPM 60. Drilling break from 7904-7907'. Hole started taking 60 bbls per hour mud. From 7914-7930, drilling break. Drilled approximately 2 minutes per foot. Hole still taking 60 bbls per hour. Pumped sweep and circulated bottoms up. Pulled out 7 joints. Bit at 7713'. Shut well in for night.



Matador Operating Company

Shelley 36 State #1
Sec. 36, T19S, R37E

API #30-025-36162
Lea County, New Mexico

Date : 3/23/2003

Activity: Set packer

Days On Completion: 10

Remarks : Tubing and casing on vacuum. Pumped 20 bbls of water down hole. TOH. Laid down DC. Released all drilling equipment. Changed out hydraulic BOP for manual. Turned over to production department.

Released hyd BOP and choke manifold. NU manual 3000# BOP. After rig released from drilling department. RIH with 5-1/2" packer, SN and 243 joints 2-7/8" tubing. Set packer at 7692' K.B. SWI, SDON.

Date : 3/24/2003

Activity: Swabbing

Days On Completion: 11

Remarks : RU Swab. IFL at 1700 FFS. Made 53 swab runs, recovered 333 bbls water, EFL 2300'. Between 9:30 and 10:00 swabbed a trace of oil. This was the last oil observed. Water turned black after 150 bbls swabbed.

Date : 3/25/2003

Activity: Swabbing

Days On Completion: 12

Remarks : RU Swab. IFL at 1300 FFS. Made 60 swab runs, recovered 396 bbls water, EFL 2300'. Swabbed a total of 729 bbls black water. Hauled water to disposal.

Date : 3/26/2003

Activity: Set CIBP

Days On Completion: 13

Remarks : RD Swab. Released packer and POH. RU JSI wireline. RIH with 4.50" gauge ring, GR, CCL to 7780'. Pulled 2000' of log. Set 5-1/2" Howco 10K EZ. Drilled CIBP at 7768'. Dump bailed 35' of cement on top of CIBP. Current PBTD 7733' KB. RD wireline. RIH with SN and 5000' of tubing. SWI, SDON.

Date : 3/27/2003

Activity: Perforate

Days On Completion: 14

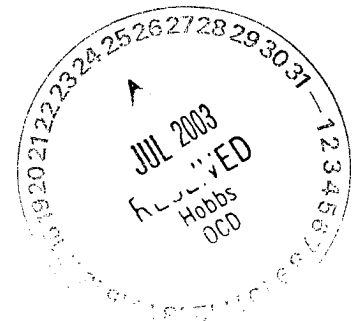
Remarks : FIH with tubing to 7715'. Circulate hole with FW. Spotted 25 bbls 10# brine with packer fluid. Tested casing, CIBP, BOP, wellhead to 3000 psi. POOH with tubing to 7032'. Reversed excess brine to surface. Pickled tubing with 250 gals 15% HCL. Reversed acid and circulated wellbore volume with 2% KCL with packer fluid. Spotted 500 gals 15% NEFE DI HCL. POOH with tubing. Loaded hole with same fluid. RU JSI wireline. Perforated Drinkard from 6979-85, 7025-32 with 4" casing gun 4 SPF, 90 deg phasing, 19 gram, .41 EH, 24.31" penetration. Total holes 52. RIH with 5-1/2" packer and 218 joints tubing to 6900' KB. (Fluid return on annulus with 5410' of pipe in hole. Displacement is 12bbls.) Set packer, opened bypass and reversed 12 bbls into tubing, closed bypass and tested annulus to 500 psi. Pumped 6 bbls at 1 bpm with 1030 psi. SD with tubing on a vacuum in 4 mins. RU swab. IFL 400', 1250, 2300, 2600, 2600, 2000 and well started flowing. Let well unload until oil cut reached 50%. Total fluid recovered: 50 bbls. SWI. RD swab. RU choke and in 15 mins pressure increased to 800 psi. Opened choke to 24/64" with 700 psi. At report time tubing 700 psi, making 6 bph 100% oil, gas est 2.380 mmcf/d. (Gas calculation not accounting for fluid)

Date : 3/28/2003

Activity: Install Gas Line

Days On Completion: 15

Remarks : Dynergy set gas sales meter run at the Shelley 35 No. 5 meter run. Fas-Line laid and welded together approximately 4000' of 3" SDR-7 polypipe from Shelley 36 No. 1 location to Shelley 35 No. 5 location. Meters and Testing Company moved in and set rental test stack pack, flowlines and gas flare lines. Started selling gas down sales line at 1:30 PM MT.



Matador Operating Company

Shelley 36 State #1
Sec. 36, T19S, R37E

API #30-025-36162
Lea County, New Mexico

Date : 3/29/2003

Activity: Install tree

Days On Completion: 16

Remarks : At 5:00 AM CST 3/30/03 well is flowing 3.349 mmcf/d at 725 psi on a 20/64" choke. Fluid recovery 6-8 bph of oil. Produced 166 bbls oil, 2.119 mmcf gas, 4 bbls water. Total oil recovery 401 bbls. Decreased choke to 18/64" at report time. This AM FTP was 800 psi. RU pump truck on tubing and pumped 50 bbls. 2% KCL water to kill well. Picked up on tubing and removed BOP. Installed wellhead tree. Tested annulus and wellhead to 1000 psi. Test was good. Swabbed well from 800' to 2500' with 6 swab runs in 1 hr. Recovered 41 bbls. of water. Well began flowing. Switched well through stack-pac on a 20/64" choke. Flow rate after 1 hr. was 1.241 MCF/D and 5 BO/Hr. Gas flow rate continued to increase. RDPU. Left well flowing to stack-pac and selling gas.

Date : 3/30/2003

Activity: Flowing

Days On Completion: 17

Remarks : At 5:00 AM CST 3/30/03 well is flowing 3.349 mmcf/d at 725 psi on a 20/64" choke. Fluid recovery 6-8 bph of oil. Produced 166 bbls oil, 2.119 mmcf gas, 4 bbls water. Total oil recovery 401 bbls. Decreased choke to 18/64" at report time.

Date : 3/31/2003

Activity: Flowing

Days On Completion: 18

Remarks : At 5:00 AM CST 3/31/03 well is flowing 2.105 mmcf/d at 910 psi on a 16/64" choke. Fluid recovery 7-8 bph of oil. Sold 2.313 mmcf, made 173 bbls oil and 0 bbls water in the last 24 hrs. Total oil recovery 575 bbls. Increased choke to 17/64" at report time.

Date : 4/1/2003

Activity: Flowing

Days On Completion: 19

Remarks : At 5:00 AM CST 4/1/03 well is flowing 2.314 mmcf/d at 820 psi on a 18/64" choke. Fluid recovery 9 bph of oil. Sold 2.279 mmcf, made 210 bbls oil and 0 bbls water in the last 24 hours. Total oil recovery 785 bbls.

Gas Analysis from 3/30/03

Component	Mol %
Hydrogen Sulfide	
Nitrogen	2.660
Carbon Dioxide	0.755
Methane	80.817
Ethane	7.934
Propane	4.376
I-Butane	0.476
N-Butane	1.361
I-Pentane	0.299
N-Pentane	0.386
Hexane Plus	0.936
	100.000

BTU/Cu. Ft.: 1199

At 14.650 Dry: 1195

At 14.650 Wet: 1174

At 14.730 Dry: 1201

At 14.730 Wet: 1181

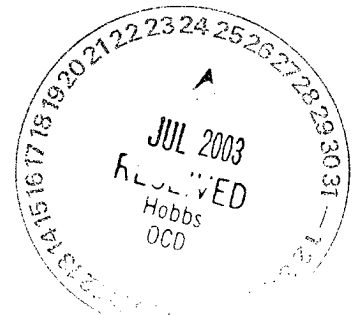
Specific Gravity, Calculated: 0.716

Date : 4/2/2003

Activity: Flowing

Days On Completion: 20

Remarks : At 5:00 AM CST 4/2/03 well is flowing 2.283 mmcf/d at 840 psi on a 18/64" choke. Fluid recovery 8.25 bph of oil. Sold 2.297 mmcf, made 202 bbls oil and 0 bbls water in the last 24 hours. Total oil recovery 987 bbls. Hot oiler treated a tank of oil.



Matador Operating Company

Shelley 36 State #1
Sec. 36, T19S, R37E

API #30-025-36162
Lea County, New Mexico

Date : 4/3/2003	
Activity: Flowing	Days On Completion: 21
Remarks : At 5:00 AM CST 4/4/03 well is flowing 2.268 mmcf/d at 890 psi on a 18/64" choke. Fluid recovery 8.25 bph of oil. Sold 2.225 mmcf, made 204 bbls oil and 0 bbls water in the last 24 hours. Total oil recovery 1399 bbls. Sold 404 bbls oil.	
Date : 4/4/2003	
Activity: Flowing	Days On Completion: 22
Remarks : At 5:00 AM CST 4/5/03 well is flowing 2.254 mmcf/d at 960 psi on a 18/64" choke. Fluid recovery 8 bph of oil. Sold 2.198 mmcf, made 197 bbls oil and 0 bbls water in the last 24 hours. Total oil recovery 1597 bbls.	
Date : 4/5/2003	
Activity: Flowing	Days On Completion: 23
Remarks : At 5:00 AM CST 4/6/03 well is flowing 2.259 mmcf/d at 940 psi on a 18/64" choke. Fluid recovery 8 bph of oil. Sold 2.198 mmcf, made 197 bbls oil and 0 bbls water in the last 24 hours. Total oil recovery 1794 bbls.	
Date : 4/6/2003	
Activity: Flowing	Days On Completion: 24
Remarks : At 5:00 AM CST 4/7/03 well is flowing 2.197 mmcf/d at 950 psi on a 18/64" choke. Fluid recovery 7.5 bph of oil. Sold 2.203 mmcf, made 194 bbls oil and 0 bbls water in the last 24 hours. Sold 408 bbls oil. Total oil recovery 1988 bbls.	
Date : 4/7/2003	
Activity: Flowing	Days On Completion: 25
Remarks : At 5:00 AM CST 4/8/03 well is flowing 2.086 mmcf/d at 980 psi on a 18/64" choke. Fluid recovery 7 bph of oil. Sold 2.187 mmcf, made 188 bbls oil and 0 bbls water in the last 24 hours. Sold 203 bbls oil. Total oil recovery 2177 bbls.	
Date : 4/8/2003	
Activity: Producing	Days On Completion: 26
Remarks : 169 oil, 2180 MCF, 0 water, 1850 tbq pressure, 140 csg pressure, shut in due to gas company	
Date : 4/9/2003	
Activity: Producing	Days On Completion: 27
Remarks : 0 oil, 459 MCF, 0 water, 1925 tbq pressure, 190 csg pressure, opened back up after being shut in for gas company. Shut in TP for 24 hours, 1950 psi.	
Date : 4/10/2003	
Activity: Producing	Days On Completion: 28
Remarks : 116 oil, 1069 MCF, 0 water	
Date : 4/11/2003	
Activity: Producing	Days On Completion: 29
Remarks : 117 oil, 1338 MCF, 0 water, 1480 tbq pressure, 200 csg pressure	
Date : 4/12/2003	
Activity: Producing	Days On Completion: 30
Remarks : 80 oil, 1307 MCF, 0 water, 1480 tbq pressure, 205 csg pressure	

