

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

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| 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.) | | WELL API NO. 30-025-36002 |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator Matador Operating Company | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator c/o Tom Brown, Inc. P O Box 2608, Midland, TX 79702 | | 7. Lease Name or Unit Agreement Name: Shelley 35 State |
| 4. Well Location Unit Letter <u>H</u> : 2056 feet from the <u>North</u> line and <u>731</u> feet from the <u>East</u> line Section <u>35</u> Township <u>19S</u> Range <u>37E</u> NMPM Lea County | | 8. Well No. 5 |
| 10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3597 GR | | 9. Pool name or Wildcat Skaggs; Drinkard, Northwest |

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: ☐

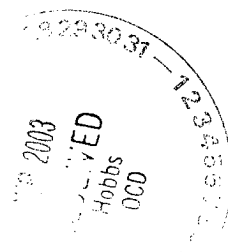
SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: Plug-Back & Re-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

*As Information - Tom Brown, Inc. (023230) took over operations 7/1/03.



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

SIGNATURE Diane Kuykendall TITLE Operations Asst / Tech DATE 9/19/03

Type or print name Diane Kuykendall PETROLEUM ENGINEER Telephone No. (432) 688-9773

(This space for State use)

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

Matador Operating Company

Shelley 35 State #5
Sec. 35, T19S, R37E

API # 30-02536002
Lea County, NM

Date : 4/3/2003

Activity: Set CIBP

Remarks : Start Re-Completion to Upper Drinkard. MIRU Pool. Tubing 100 psi. Tubing/casing annulus 300 psi. Pumped 30 bbls FW in tubing. Bled annulus through sales line. Pumped 30 bbls in annulus. Tubing and annulus both on a vacuum after pumping fluid. ND tree, pulled wrap around, and NU BOP. Released packer, POOH with tubing, SN, and packer. The last 18 joints were shinny and slightly pitted. RU Apollo Perforators set 4-1/2" 12K CIBP at 6945'. Dump bailed 10' of cement. PBTD 6935'. SWI SDON.

Date : 4/4/2003

Activity: Perforate

Remarks : RIH with SN and tubing to 6930'. RU Cudd. Circulate well with 110 bbls 2% KCL with packer fluid. Laid down tubing with EOT at 6884. Tested CIBP, casing, BOP to 3000 psi - ok. Spotted 1000 gals 15% NEFE DI LST HCL at 6884'. POOH with tubing and laid down bottom 22 joints. Found a hole in the last joint. RU Apollo Perforators. Perforated Upper Drinkard from 6879-6884 with 3-1/8" casing guns 6SPF, .40 EH, 12 Gram, 19.8" penetration, 60 deg phasing. RD wireline. RIH with 4-1/2" AS1 10K RD packer, SN, 4 joints. Set packer, loaded hole with 1.6 bbls, pressured to 20 psi and pump truck lost key way on pump shaft. Repair pump, down for 1 hour. Displaced acid as follows: .9 bpm, max 3711psi with 10.7 bbls pumped, after 28 bbls pumped 3393 psi. ISIP 3200, 5 min 1230, 10 min 542, 15 min 276, 20 min 192, 25 min 104, 30 min 39. Bled pressure and RD Cudd. Released packer and RIH with tubing to 6831'. Reversed 30 bbls 2% KCL with packer fluid, set packer with 6' sub on surface. Started swabbing, IFL 250', made 7 runs, recovered 55 bbls, last cut 3% oil, last 2 runs good gas, EFL 4800'. Left well on a 8/64" choke. At 5:00 AM 4/5/03 tubing 560 psi, flowing est 200 mcf/d, made 10 bbls oil and 37 bbls water. SWI, SDON.

Date : 4/5/2003

Activity: Flowing

Remarks : This AM at 5:00 AM CST, well is flowing. FTP is 560 psi. on a 8/64" choke. Well flowed 10 BO and 33 BW in 12-1/2 hours. Shut well in to switch well to stack-pac on a 12/64" choke. SITP built to 1150 psi. Opened well to flowline. After 4 hours of flowing FTP built from 600 psi to 775 psi and flow rate went from 720 mcf/day to 900 mcf/day and 1.67 bbls/hour of total fluid. Wellhead sample went from 45% oil to 95% oil. Fluid flow rate calculates to 1.59 bbls/hour oil or 38.16 BO/Day. Left well flowing to flowline.

Date : 4/6/2003

Activity: Flowing

Remarks : This AM at 5:00 AM CDLST, well is flowing. FTP is 725 psi on a 12/64" choke. Well flowed 26.8 BO and 7.5 BW in 24 hours. Gas flow rate is 798 mcf/day. Left well flowing to flowline.

Date : 4/7/2003

Activity: Install tree

Remarks : Well is flowing. RU pump truck. Pumped 19 bbls 2% KCL at .3 bpm to kill well. ND BOP, installed wrap-around, installed tree. Tested tubing/casing annulus to 500 psi - ok. RU swab. Made two runs and well started flowing. RDMOPU. At 5:00 AM 4/8/03 tubing 840 psi, flowing est 667 mcf/d, made 15.8 bbls oil and 10 bbls water. Sold 664 mcf gas. SWI, SDON.

Date : 4/8/2003

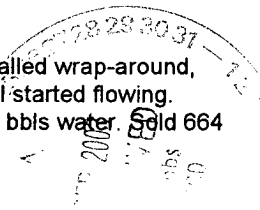
Activity: Producing

Remarks : 15 oil, 644 MCF, 10 water, 1180 tbq pressure, shut in for gas company

Date : 4/9/2003

Activity: Producing

Remarks : 0 oil, 137 MCF, 0 water, 1800 tbq pressure, opened back up after being shut in for gas company. Shut in TP for 24 hours 1750 psi.



Matador Operating Company

**Shelley 35 State #5
Sec. 35, T19S, R37E**

**API # 30-02536002
Lea County, NM**

Date : 4/10/2003

Activity: Producing

Remarks : 22 oil, 502 MCF, 10 water, 400 tbg pressure

Date : 4/11/2003

Activity: Producing

Remarks : 21 oil, 610 MCF, 9 water, 300 tbg pressure

Date : 4/12/2003

Activity: Producing

Remarks : 19 oil, 464 MCF, 6 water, 300 tbg pressure

Date : 4/13/2003

Activity: Producing

Remarks : 25 oil, 371 MCF, 0 water, 300 tbg pressure

Date : 4/14/2003

Activity: Producing

Remarks : 29 oil, 303 MCF, 7 water, 150 tbg pressure

Date : 4/15/2003

Activity: Producing

Remarks : 26 oil, 251 MCF, 3 water, 150 tbg pressure

Date : 4/16/2003

Activity: Producing

Remarks : 14 oil, 219 MCF, 4 water, 200 tbg pressure

Date : 4/17/2003

Activity: Producing

Remarks : 20 oil, 180 MCF, 5 water, 200 tbg pressure

Date : 4/18/2003

Activity: Producing

Remarks : 28 oil, 154 MCF, 3 water, 150 tbg pressure

Date : 4/19/2003

Activity: Producing

Remarks : 20 oil, 132 MCF, 2 water, 140 tbg pressure