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State of New Mexico

Form C-103

Energy, Minerals and Natural Resources Department Revised 1-1-89 District Office DISTRICT I OIL CONSERVATION DIVISION P.O. Box 1980, Hobbs, NM 88240 WELL API NO. P.O. Box 2088 30-025-33393 DISTRICT II P.O. Drawer DD, Artesia, NM 88210 Santa Fe, New Mexico 87504-2088 5. Indicate Type of Lease STATE FEE DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410 6. State Oil & Gas Lease No. E1587 SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) Lea AQ State Type of Well: GAS WELL X WELL. COTTANDO 2. Name of Operator 8. Well No. Matador Operating Company 8 3. Address of Operator 9. Pool name or Wildcat 415 W. Wall, Ste 1101, Midland, TX 79701 Pearl San Andres, West 4. Well Location 330 South _ Feet From The 330 Feet From The West Line and 29 35E Township Range **NMPM** Lea County 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3743' GR Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING TEMPORARILY ABANDON **CHANGE PLANS** COMMENCE DRILLING OPNS PLUG AND ABANDONMENT PULL OR ALTER CASING CASING TEST AND CEMENT JOB OTHER: OTHER:_ 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. Drilled 7-7/8" hole to 5955'. TD well 2:00 AM 5/12/96. Western Atlas logged well w/DLL-ML GR-Caliper & CZD-CN-GR. LTD: 5957'. Ran 133 jts 5-1/2" 15.5# J-55 ST&C R-3 csg. Set csg. @ 5953.25' KB. Halliburton cmtd w/ 500 gal mud flush, 2000 sx 35/65 poz Class C w/ 6% gel, 1/4#/sk Flocele & 9#/sk salt (12.7 ppg, 2.03 ft3/sk) lead & 200 sx 50/50 poz Class C w/ 0.5% Halad 22, 2% gel & 3#/sk KCL (14.3 ppg, 1.32 ft3/sk) tail. Displace w/ FW. Circ cmt to surface. PD @ 8:00 PM 5/13/96. Halliburton ran CBL from 5932-3800'. Good bond across San Andres. Perf San Andres thru 5-1/2" csg w/ 4" DPCG, 22 gm charges, 0.4" hole @ 1 SPF @ 5886, 84, 80, 74, 72, 70, 64, 62, 60, 46, 44, 42, 5784, 82, 80, 64, 62, 60, 52, 50, 48, 46, 44, 42. 25 holes. Dowell frac'd San Andres perfs 5742-5886' w/ 2000 gal 15% HCL acid followed by 169,845 gal YF130 (30# WL Borate Guar) containing 8000# 200 mesh sd & 357,000# 16-30 Jordan sd. Ran 2-3/8" tbg for production. Ran 1-3/4" tbg pump and API 76 rod string to SN @ 5617.63' KB.

| (This space for State Up) | RIGNAL SIGNED OF TEXT SUITON DISTRICT I SUITE WISER | TYO E | | AUG 65 1996 |
|------------------------------|---|-------------------------|------------------|---------------|
| TYPE OR PRINT NAME | Patti Lankford | | 915-687-5955 | TELEPHONE NO. |
| I hereby certify that the in | decreasion above is true and complete to the best of my knowled | edge and belief. गाए | Production Clerk | рате _7-23-96 |

CONDITIONS OF APPROVAL, IF ANY:

Place well on production 5/29/96.