Submit 3 Copies To Appropriate District State of No Office Energy, Minerals ar 1625 N. French Dr., Hobbs, NM 88240				WELL API NO.	Form C Revised March 25	
District II 1301 W. Grand Ave., Artesia, NM 88240 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	OIL CONSERV 1220 South Santa Fe,	St. Fran	cis Dr.		of Lease FEE Gas Lease No.	
(DO NOT USE THIS FORM FOR PROPOSAL DIFFERENT RESERVOIR. USE "APPLICAT PROPOSALS.) 1. Type of Well:	ES AND REPORTS ON S TO DRILL OR TO DEEP FION FOR PERMIT" (FORM ther	EN OR PLU	JG BACK TO A PR SUCH	7. Lease Name o Shelley 35 State	r Unit Agreement N	ame:
2. Name of Operator				8. Well No. 4		
Matador Operating Company 3. Address of Operator 310 W. Wall, Suite 906 Midland, TX 79701			9. Pool name or Wildcat Monument; Tubb			
4. Well Location						
Unit Letter <u>G</u> : <u>2310</u> feet from the <u>North</u> line and <u>2310</u> feet from the <u>East</u> line						
Section 35	Township 1		Range 37E	NMPM	Lea Count	у
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3609 KB						
11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING						
	CHANGE PLANS		COMMENCE DF		PLUG AND ABANDONMENT	
	MULTIPLE COMPLETION		CASING TEST A CEMENT JOB			
OTHER:			OTHER: C	ompletion		\boxtimes

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

mplete to the best of my knowledge and belief	
TITLE Production Manager	DATE <u>8/15/02</u>
	Telephone No. (915) 687-5955
ORIGINAL SIGNED BI	
TITLE PETROLEUM ENGINEER	DATE AUG 2 7 2002
-	TITLE <u>Production Manager</u> ORIGINAL SIGNED BY PAUL F. KAUTZ TITLE

Matador Operating Company

Shelley 35 State #4

Sec 35, T19S, R37E

API # 30-025-35838 Lea County, New Mexico

- 6/15/2002 Roustabout crew installed 2 5000 psi ball valves on tubing head. Crew cleaned out cellar to conductor pipe. Backhoe started levelling location. Completion costs from drilling department are on this report.
- 6/16/2002 SDFWE
- 6/17/2002 Roustabout crew leveled wellhead and poured cement in cellar. Backhoe leveling location. Contractor set mast anchors. MIRUPU Received 222 joints 2-3/8" EUE 8rd 4.7# J-55 (threads on 7045.54, threads off 7010.11). RIH with 3-7/8" RR bit, 4-1/2" casing scrapper, 4 3-1/8" DC and tubing. Tagged up at 3705.72'. RU swivel, displace hole recovering red die and cement water. Drilled cement to 3844 with part of the wiper rubber circulated up at the end. Circulated hole clean and tested to 1500 psi. Drilled to 3855 tagging DV. Drilled DV 3855-57. Wiped through DV 30 times, 15 times rotating and 15 times turning 1/4 turn per pass. RD swivel and tested to 1500 psi. SWI, SDON.
- RIH with tubing. Tagged PBTD 7132.36' KB. Displaced hole with 10# brine. Spot EOT at 7050'. Circulated hole with FW. Spotted 500 gals 15% NEFE DI LST HCL. POH with tubing, laid down BHA. Loaded hole with FW. Pressured casing to 3000 psi ok. RU JSI. Ran CCL GR from wireline PBTD 7136.20' to 5093.5'. Perforated Lower Drinkard from 7010-7025' with 3-3/8" casing gun, 3 SPF, 120 deg phasing, .34 EH, 19.08" penetration, 11 gram charge. RIH with 4-1/2" packer, 2-3/8" SN, 217 joints 2-3/8" J-55, 1 joint 2-3/8" L-80. Reverse acid into tubing, set packer at 6902.75' KB and pressured tubing/casing annulus to 500 psi. Put acid away as follows: 1 bpm formation broke at 3754, increased rate to 1.5 bpm at 4344, 2.5 bpm 4500 psi, ending pressure 4434 at 2.5 bpm. ISIP 3611, 5 min 2580, 10 min 2081. SWI. RD acid equipment. Bled pressure and started swabbing. IFL surface, pulled from 2600'. Second run 2100' pulled from 4600'. Third 2800 pulled from 5600. Fourth 3200 pulled from 5500. Fifth 4000 pulled from 6200. Sixth 5000 pulled from 6200. Seventh 5000 pulled from 6870. Tenth 5400 pulled from 6870 (SN). Recovered 50 bbls water and spent acid. Roustabout crew and backhoe build tank and treater pad. Crew started building flowlines for battery. Set 1 500 bbl swab tank. Contractors bid power installation. Tubing Detail:

Tubing	Detail.	
	4-1/2" x 2-3/8" TST packer	7.35
	2-3/8" x 1-25/32" seating nipple	1.10
217 jts	2-3/8" EUE 8rd 4.7# J-55	6851.60
1 jt	2-3/8" EUE 8rd 4.7# L-80	31.70
218 jts	total tubing and tools	6891.75
	KB adjustment	<u>11.00</u>
	EOT	6902.75

- 6/19/2002 Well is open to test tank. IFL 1600'. Made 5 swab runs, recovered 30 bbls water with skim of oil. RU Schlumberger and acidize Lower Drinkard with 3000 gals 15% NEFE DI LST HCL with 60 1.3 SG ball sealers. Pressured annulus to 500 psi. Pumped acid at 3.8 bpm at 4600-4900 psi dropping balls in 6 stages. Good ball action with ball out. Final pumping pressure 4765 psi at 3.8 bpm. ISIP 3658, 5 min 3040, 10 min 2591. RD Schlumberger. Bled tubing to tank and RU swab. IFL surface, made 21 runs EFL 5200', recovered 126 bbls water with skim of oil. LWOTT, SDON. TLTR 102, TLR 126, TLLTR 0. Roustabout crew building lines for battery.
- 6/20/2002 Well is open to tank. IFL 2000'. Swabbed 10 hours, recovered 136 bbls water. EFL 6000'. Roustabout crew built battery. Contractor set production tank.
- 6/21/2002 Well is open to tank. IFL 1600'. Made 2 runs, recovered 1% oil. Released packer, run 4 joints and POH. RU Howco set 4-1/2" EX-Drill 10K CIBP at 6985' KB. Dump bailed 15' cement on CIBP. RIH with SN and tubing. RU Schlumberger, circulated hole, spot 500 gals 15% NEFE DI LST HCL. POH with tubing. Loaded hole with FW and pressured casing to 3000 psi. RU Howco, set 4-1/2" Ez-Drill CIBP at 6985' KB. Dump bailed 15' of cement on CIBP. RIH with tubing to 6815'. RU Schlumberger, circulated hole with FW, and spotted 500 gals 15% NEFE DI LST HCL. POH with tubing. RU Howco. Perforated Tubb from 6705-08, 6764-67, 6804-12, 3 SPF, 12.5 grams, .35 entry hole, 13.13" penetration. RIH with 4-1/2" packer, SN, 207 joints 2-3/8" J-55, 1 2-3/8" L-80. Set packer at 6591.38' KB. RU Schlumberger, pressured tubing/casing annulus to 500 psi. Pumped acid with formation breaking at 3800 psi, pumped 3.8 bpm at 5331 psi, with pressure ending at 5145 psi at 3.8 bpm. ISIP 3868, 5 min 2715, 10 min 1932. The packer communicated during the break down with annulus pressure climbing to 1600 psi at end of displacement. Bled tubing and annulus pressure. Opened packer by-pass, displaced hole with FW, close by-pass and pressured annulus to 500 psi. RU swab, IFL surface, made 5 runs. EFL 5700'. Recovered 34 bbls water with 10% oil cut at end. LWOTT with 24/64 choke making gas. Roustabout crew building battery. Contractor set production tank.

Matador Operating Company

Shelley 35 State #4

Sec 35, T19S, R37E

API # 30-025-35838 Lea County, New Mexico

- 6/22/2002 Well is open to tank flowing at 95 mcfd rate with 5 bbls oil and 5 bbls water produced overnight. Continued to flow test well for 3 hours. Bled tubing pressure and RIH with swab. Recovered 1000' of fluid at 90?% oil cut. Well is still flowing gas. Left tubing on 16/64" choke at 65 psi of tubing to test tank.
- 6/23/2002 Flowing to test tanks. Estimating 95 mcfd.
- 6/24/2002 Well is open to tank flowing at 95 mcfd rate with 8 bbls oil and 2 bbls water produced overnight. Pumped 20 bbls FW with tubing loading. Released packer, POH laying down tubing string and packer. Loaded hole with 8 bbls FW. ND BOP, NU 7 1/16" x 5000 frac valve. Placed thread protectors on tubing. RDMOPU. Roustabout crews building battery. Backhoe built firewall around tanks and buried flowline to well. LWSI SDON.
- 6/25/2002 Contractor set pumping unit. Roustabout crew replaced rolling lines inside tanks.
- 6/26/2002 7/11/2002 SI
- 7/12/2002 Well is SI with 350 psi on casing. RU Treesaver, RU Schlumberger. (Frac) Pumped 17,430 gals 20% DGA315 with 10 (Gelled Acid), flushed with 120 bbls 2% KCL. Casing loaded with 21 bbls with FL at 1355'. Step rate to 25 bpm at 5900 psi. Acid on formation at 104, 30 bpm at 5744. Increase to 40 bpm at 6085 psi. Increased to 4.4 bpm at 5995 psi with 240 bbls acid pumped and 136 bbls in formation. Acid over with 415 bbls at 40.4 bpm with 5807 psi. Flushed with 120 bbls 2% KCL 40.4 bpm 6050, 33 bpm at 5976, 30.4 bpm at 6000 with 110 bbls away. With 120 bbls away at 27 bpm and 5724 psi SD. ISIP 3728 psi, 5 min 3360, 10 min 3250psi, 15 min 3074. SWI. RD Tree Savers, RD Schlumberger. MIRUPU. After 1hour 15 minutes casing pressure 1700 psi. Opened to tank with pressure falling off to slight flow of water. ND frac valve, NU BOP. Received 210 joints 2-3/8" EUE 8rd J-55 4.7# tubing 6681.89' threads on 6633.27' threads off. RIH with SN 209 joints tubing, ND BOP and install tree. LWOTT, SDON.
- 7/13/2002 Well is open to tank with 2 bbls water increase. Start swabbing. IFL surface. Hour breakdown 1 FL 1400' 34 bbls, 2 FL 3300' 20 bbls 3% oil cut some acid, 3 FL 3300' 16 bbls, 4 FL 3600' 22 bbls, 5 FL 4300' 14 bbls, 6 FL 4500' 19 bbls, 7 -5000' 9 bbls, 8 5000' 9 bbls. Total fluid recovery 4 bbls oil, 139 water. TLTR 535, TLR 142, TLLTR 393. LWLTT, SDON.
- 7/14/2002 Well is open to tank with 6 bbls oil and 29 bbls water increase overnight. Casing pressure 600 psi. Started swabbing. IFL 1800'. Made one run with well unloading. Tubing 200 psi on 26/64" choke casing 500 psi. Flowed 2.5 hours making 5 bbls fluid/hour. Roustabout crew connected tree to flowline. Turned well to production equipment at 1:00 PM. Tubing pressure 50 psi casing 350 psi. Made one swab run 2400' FL pulled from 4400'. Placed choke on 26/64" choke at 220 mcfd rate. At 4:00 pm well slowing 380 mcfd rate tubing pressure 90 psi casing 350 psi. Continue to balance production equipment. AT 5:00 am tubing 65 psi, casing 300 psi, flowing 275 mcfd. Total fluid recovery - 34 bbls oil, 81 water. TLTR 535, TLR 248, TLLTR 287.
- 7/15/2002 AT 8:00 am tubing 65 psi, casing 325 psi, flowing 315 mcfd. Open well to test tank. Pumped 70 bbls in casing. At end of 70 bbls tubing was not blowing. Pumped 20 bbls in tubing. ND tree, NU BOP, POH with tubing. RIH with 2-7/8" Slotted Mud joint with 2-3/8" collars welded on each end, 4-1/2" Mod B TAC, 2-3/8" slotted SN, 2-3/8" x 1-25/32" SN, 216 joints 2-3/8" EUE 8rd 4.7# J-55 tubing. ND BOP, set TAC with 22" or 12 points tension. NU tubing hanger flange. LWOTT. Install couplings on rods. SDON. TLTR 535, TLR 248, TLLTR 287. Tubing Detail:

- uping	Dolum.	
	2-7/8" slotted BPMJ	32.25
	4-1/2" x 2-3/8" Mod B TAC	3.00
	2-3/8" slotted SN	1.10
216 jts	2-3/8" x 1-25/32" SN	1.10
	2-3/8" EUE 8rd 4.7# J-55	6601.54
	Anchor setting	1.83
	KB adjustment	16.00
	EOT	6656.82

Shelley 35 State #4

Sec 35, T19S, R37E

API # 30-025-35838

Lea County, New Mexico

7/16/2002 At 8:00 am tubing 700 psi, casing 900 psi. Baird backpressure valve on tubing stuck, casing was SI. Bled tubing and casing to test tank. Pumped 25 bbls in tubing. RIH with 2" x 1-1/2" x 16' RHBC HVR 2 stage pump, 1-5/8" FN, 4' SM plug, SV. (Pump Transferred from Laughlin # 8 with Material Transfer # 00910 7/16/02) 1 7/8" x 1' lift sub, 172 3/4" x 25' Weatherford "D", 90 7/8" x 25' Weatherford "D", 1 1-1/2" x 26' Inspray Polished rod with 2-3/8" x 1-1/2" Auto Pac stuffing box (PR & SB transferred from Laughlin 5 # 2 with MT 00911 7/16/02). Attempted to align pumping unit, failed due to well unloading. Hang well on with pump 6" off bottom. Pressured tubing to 500 psi - ok. Stroked unit to 500 psi - ok. Pumped well for 30 mins - ok. RDMOPU. SDON. TLTR 535, TLR 248, TLLTR 287.

2-7/8"	Slotted BPMJ	32.25
	k2 3/8" Mod B TAC	3.00
2-3/8"	Slotted SN	1.10
2-3/8"	x1 25/32" SN	1.10
209 jts 2-3/8"	EUE 8rd 4.7# J-55	6601.54
Ancho	r Setting/KB Correction	17.83
EOT	-	6619.37

Rod Detail:

	2"x1 1/2"x16' RHBC HVR 2 Stage	•
	w/ 1"x20' Gas Anchor	16
	7/8"x1' Lift Sub	1
172	3/4"x25' Weatherford "D"	4300
90	7/8"x25' Weatherford "D"	2250
	1-1/2"x26' Inspray Polished Rod _	15
	_	6582

7/17/2002 3 oil, 55 MCF, 87 water

7/18/2002 6 oil, 342 MCF, 58 water

