

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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-101
Revised March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|--|--|---|
| ¹ Operator Name and Address Matador Operating Company 8340 Meadow Road #150 Dallas, TX 75231 | | ² OGRID Number 14245 |
| | | ³ API Number 30 - 025 - 35946 |
| ³ Property Code 29895 | ⁵ Property Name Bilbrey 32 State Com | ⁶ Well No. 2 |

| ⁷ Surface Location | | | | | | | | | |
|-------------------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| K N | 32 | 21S | 32E | | 1330 | South | 1980 | West | Lea |

| ⁸ Proposed Bottom Hole Location If Different From Surface | | | | | | | | | |
|--|---------|----------|-------|---------|-------------------------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| | | | | | | | | | |
| ⁹ Proposed Pool 1 Bilbrey; Morrow (Gas) | | | | | ¹⁰ Proposed Pool 2 | | | | |

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|-----------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|--|
| ¹¹ Work Type Code N | ¹² Well Type Code Gas | ¹³ Cable/Rotary Rotary | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3710 |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 14900 | ¹⁸ Formation Morrow | ¹⁹ Contractor Patterson | ²⁰ Spud Date July 15, 2002 |

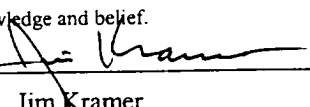

| ²¹ Proposed Casing and Cement Program | | | | | |
|--|-------------|--------------------|---------------|-----------------|-----------------|
| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
| 17-1/2" | 13-3/8" | 48# | 750' | 600 sx | Circ to surface |
| 12-1/4" | 9-5/8" | 36# & 40# | 4650' | 1250 sx | Circ to surface |
| 8-3/4" | 7" | 26# | 12600' | 400 sx | 9500' |
| 6-1/8" | 4-1/2" | 13.5# | 14900' | 200 sx | 12300' (TOL) |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.

Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drill 17-1/2" hole to $\pm 750'$. Run/cement 13-3/8" surface casing. NU 13-5/8" 1500 psi annular. Drill 12-1/4" hole to $\pm 4650'$. Run and cement 9-5/8" intermediate casing. NU 11" 3M BOPE and test to 3000 psi. Drill 8-3/4" hole to $\pm 12600'$. Run and cement 7" production casing. NU 7-1/16" 10M BOPE and test to 10,000 psi (annular to 5000 psi). Drill 6-1/8" hole to PTD of $\pm 14,900'$. Evaluate to run 4-1/2" production liner.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

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|---|--|---|--|
| ²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature:  Printed name: Jim Kramer Title: Sr. Drilling Engineer Date: 7/1/02 Phone: 214-987-7128 | | OIL CONSERVATION DIVISION Approved by:  Title: PETROLEUM ENGINEER Approval Date: JUL 1 1 2002 Expiration Date: Conditions of Approval: Attached <input type="checkbox"/> | |
|---|--|---|--|

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