OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

April 26, 1999

Matador Petroleum Corporation Attention: John W. Bell Suite 158 – Pecan Creek 8340 Meadow Road Dallas, Texas 75231-3751

Re:

Administrative application dated April 13, 1999 for an unorthodox subsurface Morrow gas well location within the SE/4 SW/4 (Unit N) of Section 27, Township 20 South, Range 26 East, NMPM, Eddy County, New Mexico, for Matador Petroleum Corporation's Brantley Federal "27" Com. Well No. 1 to be drilled from a surface location in the NE/4 NW/4 of Section 34, Township 20 South, Range 26 East, NMPM, Eddy County, New Mexico.

Dear Mr. Bell:

I am returning the subject application as incomplete. Should you wish to resubmit this application, please indicate on the NMOCD Form C-102 the orientation of the proposed 320-acre unit to be dedicated to this well. Also, since the bottomhole location will be unorthodox for either a lay-down or stand-up 320-acre unit please provide the required geological information necessary to explain why Matador seeks an unorthodox surface location over a standard subsurface location (see copy of Division Rule 104 attached).

Should you have any questions concerning this matter after you have reviewed the requirements you may contact me in Santa Fe at (505) 827-8185.

Sincerely,

Michael E. Stogner

Chief Hearing Officer/Engineer

cc:

New Mexico Oil Conservation Division - Artesia U. S. Bureau of Land Management - Carlsbad Kathy Valdes, NMOCD - Santa Fe