



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

May 19, 2005

Mr. William F. Carr
Holland & Hart
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico 87504-2208

Dear Mr. Carr:

Based upon the reasons stated in your letter of May 15, 2005, and in accordance with the provisions of Division Order No. R-12291, Matrix New Mexico Holdings, L.L.C. is hereby granted an extension of time until September 1, 2005, in which to commence the drilling of the well pooled by this order.

Sincerely,

Mark E. Fesmire, P.E.
Director

fd/

cc: ✓ Case No. 13420
OCD - Hobbs



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May 15, 2005

HAND DELIVERED

Mark E. Fesmire, P. E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Oil Conservation Division Case No. 13420: Application of Matrix New Mexico Holdings, L.L.C. for compulsory pooling, Lea County, New Mexico.

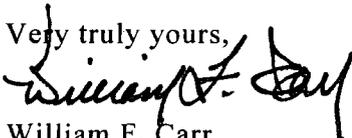
Dear Mr. Fesmire;

On February 25th, 2005, the Division entered Order No. R-12291 which granted the application of Matrix New Mexico Holdings, L.L.C. in the above-referenced case pooling all uncommitted interests from the surface to the base of the Wolfcamp formation underlying the SE/4 NE/4 of Section 10, Township 13 South, Range 38 East, NMPM, Lea County, New Mexico. This pooled unit is to be dedicated to the applicant's Townsend Well No. 2 to be drill at a standard oil well within Unit H of Section 10.

Order R-12291 provides that in the event Matrix does not commence re-entry operations on the well on or before June 1, 2005, this pooling order shall be of no effect unless Matrix obtains a time extension from the Division Director for good cause shown.

Matrix plans to drill the Townsend Well No. 2 but has encountered delays in obtaining a rig and has determined that it will not be able to commence drilling prior to June 1, 2005. Since it will be unable to commence drilling prior to the current deadline set by this pooling order, Matrix New Mexico Holdings, L.L.C. hereby request an extension of Order No. R-12291 from June 1, 2005 until September 1, 2005.

Your attention to this request is appreciated.

Very truly yours,

William F. Carr
ATTORNEY FOR MATRIX NEW MEXICO HOLDINGS, L.L.C.

cc: Mr. Fred Bryla
Matrix New Mexico Holdings, L.L.C.