



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

August 23, 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 August 22, 2005, and in accordance with the provisions of Division Order No. R-12291, Matrix New Mexico Holdings, L.L.C. is hereby granted an additional extension of time until December 1, 2005, in which to commence the drilling of the well pooled by this order.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire".

Mark E. Fesmire, P.E.

Director

fd/

cc: ✓ Case No. 13420
OCD - Hobbs



2005 AUG 22 PM 6:27

August 22, 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.

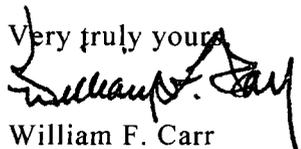
Dear Mr. Fesmire;

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 well location in (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. By letter dated May 19, 2005, the Division Director granted an extension of this order until September 1, 2005.

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 September 1, 2005. They have a drilling commitment for the well with Patterson Drilling Company but Patterson has advised that the rig will not be available until late this fall. Since it will be unable to commence drilling prior to the current deadline set by this pooling order as extended by the Division Director, Matrix New Mexico Holdings, L.L.C. hereby request an extension of Order No. R-12291 from September 1, 2005 until December 1, 2005.

Your attention to this request is appreciated.

Very truly yours,

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