



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

November 18, 2005

Ms. Ocean Munds-Dry  
Holland & Hart  
Attorneys at Law  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208

Dear Ms. Munds-Dry:

Based upon the reasons stated in your letter of November 15, 2005, and in accordance with the provisions of Division Order No. R-12290, Matrix New Mexico Holdings, L.L.C. is hereby granted an additional extension of time until March 1, 2006, in which to commence the drilling of the well pooled by this order.

Sincerely,

Mark E. Fesmire, P.E.  
Director

fd/

cc: ✓ Case No. 13419  
OCD – Hobbs



November 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

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Re: **Oil Conservation Division Case No. 13419:** 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-12290 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 NE/4 SE/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. 3 to be drilled at a standard well location in (Unit I) of Section 10.

Order R-12290 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 August 23, 2005, the Division Director granted an extension of this order until December 1, 2005.

Matrix plans to drill the Townsend Well No. 3 but has encountered delays in obtaining a rig and has determined that it will not be able to commence drilling prior to December 1, 2005. In addition to rig constraints, Matrix currently has an administrative application pending for an unorthodox well location for its Townsend Well No. 2. Order No. R-12291 approved a pooled unit to be dedicated to the Townsend Well No. 2 to be drilled at a standard well location in Section 10. As Matrix now wishes to move the proposed well to a non-standard location, Mr. David Catanach requested Matrix apply to amend Order No. R-12291 to reflect the new well location. Matrix has filed an application to amend Order No. R-12291 which will be heard on the December 15th OCD Hearing Examiner Docket. However, the application will not be heard until after the December 1 deadline of the original order. As Matrix has received a two well drilling commitment for the Townsend Wells No. 2 and 3, drilling of the Townsend No. 3 Well will also be delayed until the necessary orders are in place for the Townsend Well No. 2. Since it will be unable to commence drilling prior to the current deadline set by this pooling order as extended

November 15, 2005

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HOLLAND & HART LLP



by the Division Director, Matrix New Mexico Holdings, L.L.C. hereby request an extension of Order No. R-12290 from ~~September~~ <sup>December 1</sup> 1, 2005 until March 1, 2005.

Your attention to this request is appreciated.

Very truly yours,

*Ocean Munds-Dry for*  
William F. Carr

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