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TELECOPY TRANSMITTAL SHEET

Client/Case No.: 0257.002

Date: January 6, 1999

TO: **MICHAEL E. STOGNER**

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FROM: **RON HORN** RE: NMOCD CASES 12034 & 12051

COMMENTS: Attached is an Affidavit of Bryan Montgomery which I will offer at tomorrow's hearing. I have either talked with each of you or left a message with your office regarding this affidavit, and I understand that no party objects to the introduction of this affidavit. If my understanding is not correct, please contact me immediately. I will be using a faxed copy of this affidavit tomorrow and will provide the original to Mr. Stogner as soon as I receive it back from my client.

Originals will follow by mail: Yes No Total pages being sent, including cover page: 5

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**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION OF
MATADOR PETROLEUM CORPORATION
FOR APPROVAL OF AN UNORTHODOX GAS
WELL LOCATION AND TO AMEND ORDER
NO. R-10872-b TO APPROVE A STANDARD
600.01-ACRE GAS SPACING AND PRORATION
UNIT, EDDY COUNTY, NEW MEXICO**

CASE NO. 12034

**IN THE MATTER OF APPLICATION OF
TEXACO EXPLORATION AND PRODUCTION INC.
FOR COMPULSORY POOLING, AN UNORTHODOX
GAS WELL LOCATION, AND NON-STANDARD
SPACING AND PRORATION UNIT, EDDY COUNTY,
NEW MEXICO**

CASE NO. 12051

AFFIDAVIT OF BRYAN MONTGOMERY

Bryan Montgomery, being first duly sworn upon his oath, deposes and states:

1. My name is Bryan Montgomery. I am a reservoir engineer and am employed by Mewbourne Oil Company in Tyler, Texas. I have personal knowledge of the facts stated in this Affidavit.

2. I have previously testified before the Oil Conservation Division and have been qualified as an expert witness in the field of reservoir engineering.

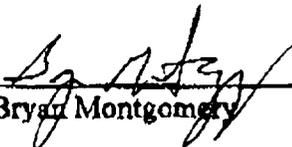
3. I have reviewed the transcript of the testimony of Jeff Ventura, from the December 3, 1998 hearing in this matter, and Mr. Ventura's belief that Mewbourne Oil Company did not engage in efforts to hold back production from the Catclaw Draw No. 1 Well in compliance with the penalty provisions contained in the Commission Order No. R-10872-B. (12/3/98 Transcript pp. 85-86).

4. Mr. Ventura is mistaken in his belief that Mewbourne Oil Company has not held back production from the Catclaw Draw No. 1 Well in compliance with the penalty provisions of the Commission Order. Mewbourne Oil Company has in fact held back production from the Catclaw Draw No. 1 Well in compliance with the 40% penalty allowable factor as contained in the Commission Order.

5. Attached to my Affidavit as Exhibit "A", and incorporated herein by reference, is a table that I prepared which shows the monthly allowable, cumulative allowable, monthly production, cumulative production, and the cumulative over/under production for the Catclaw Draw No. 1 Well for the months of June through November 1998. Based upon the June 1998 deliverability test, the Catclaw Draw No. 1 Well had a deliverability of 6640 Mscfpd. After applying the penalty allowable factor as provided the Commission's Order, through the end of November 1998, the Catclaw Draw No. 1 Well was in an underproduced state to the extent of 71,504 MMscf.

6. A new deliverability test was performed on the Catclaw Draw No. 1 Well in December 1998. This deliverability test yielded a deliverability of 3420 Mscfpd. Based upon the new deliverability test, Mewbourne is presently holding back production from the Catclaw Draw No. 1 Well in order to comply with the Commission's penalty allowable factor.

7. Mewbourne Oil Company has complied and will continue to comply with the allowable, including the penalty factor, with respect to the Catclaw Draw No. 1 Well.


Bryan Montgomery

Mewbourne Oil Company
 Catchlaw Draw #1
 Section 1 21 S - 25 W
 Eddy Co., New Mexico

Deliverability Test - June, 1998

Deliverability 6640 Mscfpd
 Penalty Allowable Factor 40%
 Penalty Allowable 2656 Mscfpd

Month	Allowable (MMscf)	Cumulative Allowable (MMscf)	Production (MMscf)	Cumulative Production (MMscf)	Cumulative Over/Under Production (MMscf)
June, 1998	79680	79680	92720	92720	13040
July	82336	162016	95971	188691	26675
August	82336	244352	54388	243079	-1273
September	79680	324032	68802	311881	-12151
October	82336	406368	55408	367289	-39079
November	79680	486048	47255	414544	-71504

Deliverability Test - December, 1998

Deliverability 3420 Mscfpd
 Penalty Allowable Factor 40%
 Penalty Allowable 1368 Mscfpd

EXHIBIT A