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W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

April 5, 2000

Via Facsimile

Mr. David R. Catanach, Hearing Examiner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: NMOCD Case 12355

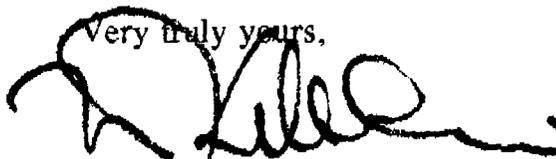
Application of Matador E & P Company to establish infill well procedures and to amend well locations requirements for the Red Hills-Wolfcamp Gas Pool, or in the alternative for simultaneous dedication, Lea County, New Mexico.

Dear Mr. Catanach:

On behalf of Matador E & P Company, I presented this case to you at the hearing held on March 16, 2000. At the conclusion of the hearing, you continued this case to the April 6, 2000 Examiner's docket for the sole purpose of providing notice to Enron Oil & Gas Company which is still shown as the operator of the Brinninstool 21 F Well No. 1 located in Unit O of Section 21, T25S, R33E, Lea County, New Mexico which the Division ordered to be plugged in 1995.

Please find enclosed a copy of a letter dated April 5, 2000 in which Enron Oil & Gas Company (now EOG Resources, Inc.) acknowledges receipt of notification of this case, waives any objection to the notice provided and indicates their support for changing the pool rules as requested by Matador E & P Company. This completes the record in this case and we request that you now take this case under advisement and issue an order approving this application.

Very truly yours,



W. Thomas Kellahin

cfx: Matador E & P Company
Attn: Barry Osborne, Esq.
William F. Carr, Esq.
Attorney for Enron Oil & Gas Company



EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(915) 686-3300

April 5, 2000

Matador Petroleum Corporation
8340 Meadow Road
Suite 15B, Pecan Creek
Dallas, Texas 75231-3751
Attention: Mr. C. Barry Osborne

Re: Red Hills
Lower Wolfcamp Pool
Lea County, New Mexico

Gentlemen:

Reference is made to the notice received by EOG Resources, Inc. that Matador E&P Company had filed application to amend the Special Rules and Regulations of the Red Hills Wolfcamp Gas Pool. Such case being given NMCCD Case Number 12355 and notice for which was received by EOG Resources, Inc. on March 28, 2000.

EOG Resources, Inc. waives any objection to amending the Special Rules and Regulations of the Red Hills-Wolfcamp Gas Pool as follows:

- 1) Amend Rule 2 to provide that a second well be drilled within a standard 640 acre spacing unit, but on a governmental quarter section not containing a first well, and
- 2) Amend Rule 4 to conform the well location rules to Division 104. c (2).

EOG Resources, Inc. also waives any objection to the notice provided to it by Matador E&P Company relative to this application. Should there be any questions concerning this waiver, contact Mr. Larry D. Cunningham at 915-686-3730.

Sincerely,

EOG RESOURCES, INC.

William R. Thomas
Senior Vice President

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