

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

IN THE MATTER OF THE APPLICATION OF
MATADOR PETROLEUM CORPORATION FOR
AN UNORTHODOX GAS WELL LOCATION,
CHAVES COUNTY, NEW MEXICO

CASE: 10853

A P P L I C A T I O N

Comes now Matador Petroleum Corporation, by and through its attorneys, KELLAHIN and KELLAHIN, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox gas well location 660 feet from the North line and 660 feet from the East line (Unit A) of Section 30, Township 15 South, Range 28 East, NMPM, Chaves County, New Mexico, for production from any formation and/or pool developed on 320-acre gas proration and spacing units including but not limited to the Buffalo Valley-Pennsylvanian Gas Pool. The N/2 of said Section 30 will be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool(s).

In support thereof, Applicant states:

1. Applicant, Matador Petroleum Corporation, is the proposed operator of a well to be located 660 feet FNL and 660 feet FEL (Unit A) of Section 30, T15S, R28E, N.M.P.M, Chaves County, New Mexico to which the N/2 of said section is to be dedicated if production is established. See Exhibit "A"

2. Applicant proposes to test for Morrow formation production in the subject spacing unit which is located within one mile of the current boundary of the Buffalo Valley-Pennsylvanian Gas Pool.

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3. The Buffalo Valley-Pennsylvanian Gas Pool is a prorated gas pool the production from which is subject to the Special Rules and Regulations of said pool set forth in Division Order R-1670-H.

4. The proposed unorthodox gas well location is necessary in order to minimize the geologic risk involved and in order to have a reasonable opportunity to recover any gas reserves underlying this spacing and proration unit.

5. Approval of the proposed location without a production penalty would permit the owners of the spacing unit to produce their fair share of the hydrocarbons in the pool thereby protecting correlative rights.


6. Approval of the application will afford the applicant the opportunity to produce its just and equitable share of the hydrocarbons in the Morrow formation and will otherwise prevent waste and protect correlative rights.

7. In accordance with Division Rule 1207, Applicant has notified the following affected party towards whom the proposed location encroaches:

Mountain States Petroleum Corporaiton
P. O. Box 1936
Roswell, New Mexico 88210
Attn: Mr. Paul Slayton

WHEREFORE, Applicant requests that, after notice and hearing, this Application be approved as requested.

KELLAHIN and KELLAHIN

BY 
W. Thomas Kellahin
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ATTORNEYS FOR APPLICANT

Remainder of Matador Farm-in Acreage