

N.M. Oil Cons. Division

1625 N. French Dr.

Hobbs, NM 88240

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NM94618

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM103150

8. Well Name and No.
Topacio Federal 28 Com 2

9. API Well No.
30-025-34830

10. Field and Pool, or Exploratory Area
Tonto; Atoka Gas

11. County or Parish, State
Lea County, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Matador Operating Company

3a. Address
310 W Wall, Ste 906 Midland, TX 79701

3b. Phone No. (include area code)
915-687-5955

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1330 FSL and 1980 FEL
Sec 28, T19S, R33E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, Form 3160-5 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Matador request approval to surface commingle the gas from the following wells:
 Topacio Federal 28 com 1 – API # 30-025-34522 (pool 77370 Gem; Moflow)
 Topacio Federal 28 com 2 – API #30-025-34830 (pool 86300 Tonto; Atoka)
 Diamante Federal 21 #1 – API #30-025-34445 (pool 27210 Gem; Wolfcamp North)

Production will be allocated based on monthly well production using an allocation meters. In addition the Topacio Federal 28 Com 1 is only flowed occasionally and the subtraction method is used for its allocation.

The commingling of these leases takes advantage of a common compressor thereby saving the cost of additional compression fees. See Attached diagram of equipment to be utilized and map showing leases involved.

14. I hereby certify that the foregoing is true and correct

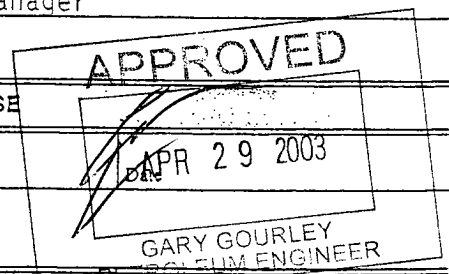
Name (Printed/Typed) Russ Mathis Title Production Manager

Signature *Russ Mathis* Date 4/23/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office _____



Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.