

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



October 24, 2014

Matador Production Company
Attn: Ms. Gabrielle Gerholt

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7180
Administrative Application Reference No. pMAM1427658163

Matador Production Company
OGRID 228937
Guitar 10-24S-28E RB Well No. 202 H
API No. 30-015-42660

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1733 FNL & 204 FEL	H	10	24S	28E	Eddy
Penetration Point	2232 FNL & 330 FEL	H	10	24S	28E	Eddy
Terminus	2305 FNL & 240 FWL	E	10	24S	28E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Code</u>
N/2 of Section 10	320	Culebra Bluff; Wolfcamp, South (Gas)	75750

Reference is made to your application received on October 3, 2014.

You have requested to drill this horizontal well at an unorthodox gas well location described above in the referenced pool or formation. This proration unit is governed by statewide Rule 19.15.15.10.B NMAC, which provides for 320-acre units, with wells located at least 660 feet from a unit outer boundary, and Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas. This location is unorthodox because a portion of the project area is less than 660 feet from the unit boundary.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A(2) NMAC.

October 24, 2014

Page 2

It is our understanding that you are seeking this location in order to fully access the reservoir and avoid waste of the resource.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 (A) 2 NMAC, in all adjoining units towards which the proposed location encroaches.

This project area (spacing unit) was originally dedicated to the Guitar 10 Well No.1, according to Hearing Order R-13667, issued on December 17, 2012.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on October 24, 2014

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with a large initial "J" and "B".

Jami Bailey
Director

JB/mam

cc: New Mexico Oil Conservation Division – Artesia