

State of New Mexico  
Energy, Minerals and Natural Resources Department

---

**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

**Tony Delfin**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



May 13, 2016

Matador Production Company  
Attn: Ms. Zoe E. Lees

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-7410**

**Matador Production Company**  
OGRID 228937  
**Guitar 10 24 28 RB Well No. 222H**  
**API No. 30-015-43693**

**Proposed Location:**

|                   | <u>Footages</u>      | <u>Unit</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|-------------------|----------------------|-------------|-------------|-------------|--------------|---------------|
| Surface           | 1753` FNL & 205` FEL | H           | 10          | 24S         | 28E          | Eddy          |
| Penetration Point | 1635` FNL & 330` FEL | H           | 10          | 24S         | 28E          | Eddy          |
| Final perforation | 1649` FNL & 330` FWL | E           | 10          | 24S         | 28E          | Eddy          |
| Terminus          | 1649` FNL & 240` FWL | E           | 10          | 24S         | 28E          | Eddy          |

**Proposed Gas Spacing Unit:**

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

The NSL application was initially protested on March 2, 2016 and was set for Hearing. The protest was resolved between parties.

Reference is made to your application received on February 22, 2016.

You have requested to drill this horizontal well at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by Division 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 portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

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.

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.

It is our understanding that Matador is seeking this location to efficiently produce its interest in Section 10.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved in order to prevent waste and protect correlative rights.

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.



**DAVID R. CATANACH**  
**Director**

DRC/lrl

cc: Oil Conservation Division – Artesia District Office