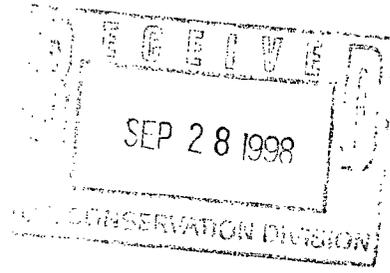


NSP 10/19/98

MATADOR PETROLEUM CORPORATION

SUITE 158, PECAN CREEK
8340 MEADOW ROAD
DALLAS, TEXAS 75231-3751
(214) 987-3650
FAX: (214) 691-1415

September 25, 1998



Michael Stogner
Energy, Minerals & Natural Resources Department
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Re: Exxon Federal "4" #1
660 FNL, 1980 FWL
Sec 4, T21S, R27E
Eddy County, New Mexico

Dear Mr. Stogner:

Matador Operating Company is requesting an exception for a non-standard proration unit and non-standard location for our Exxon Federal "4" #1 as referenced above.

Matador staked the Exxon Federal "4" #1 well in Lot 3 of Section 4 as shown on the attached C-102 plat. This Section 4 is an irregular section and it has come to our attention that Lot 3 contains only +/-30 acres. For a Bone Spring completion, the proration unit is usually 40 acres, therefore Matador Operating is requesting an exception for a non-standard proration unit.

We are also requesting an exception for a non-standard location. This well is staked 660' from the North section line, but it is only 314' from the South lot line. Matador is requesting an exception for the non-standard distance from the south line of Lot 3.

Please let me know if you require any more information or you need to discuss this further. I may be reached at 214-987-7144. Thank you.

Very truly yours,

John W. Bell
Drilling Manager

Cc: Tom Kellahin

DISTRICT I
 P. O. Box 1980
 Hobbs, NM 88241-1980

State of New Mexico
 Energy, Minerals, and Natural Resources Department

Form C-102
 Revised 02-10-94
 Instructions on back

DISTRICT II
 P. O. Drawer DD
 Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
 P. O. Box 2088
 Santa Fe, New Mexico 87504-2088

Submit to the Appropriate
 District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

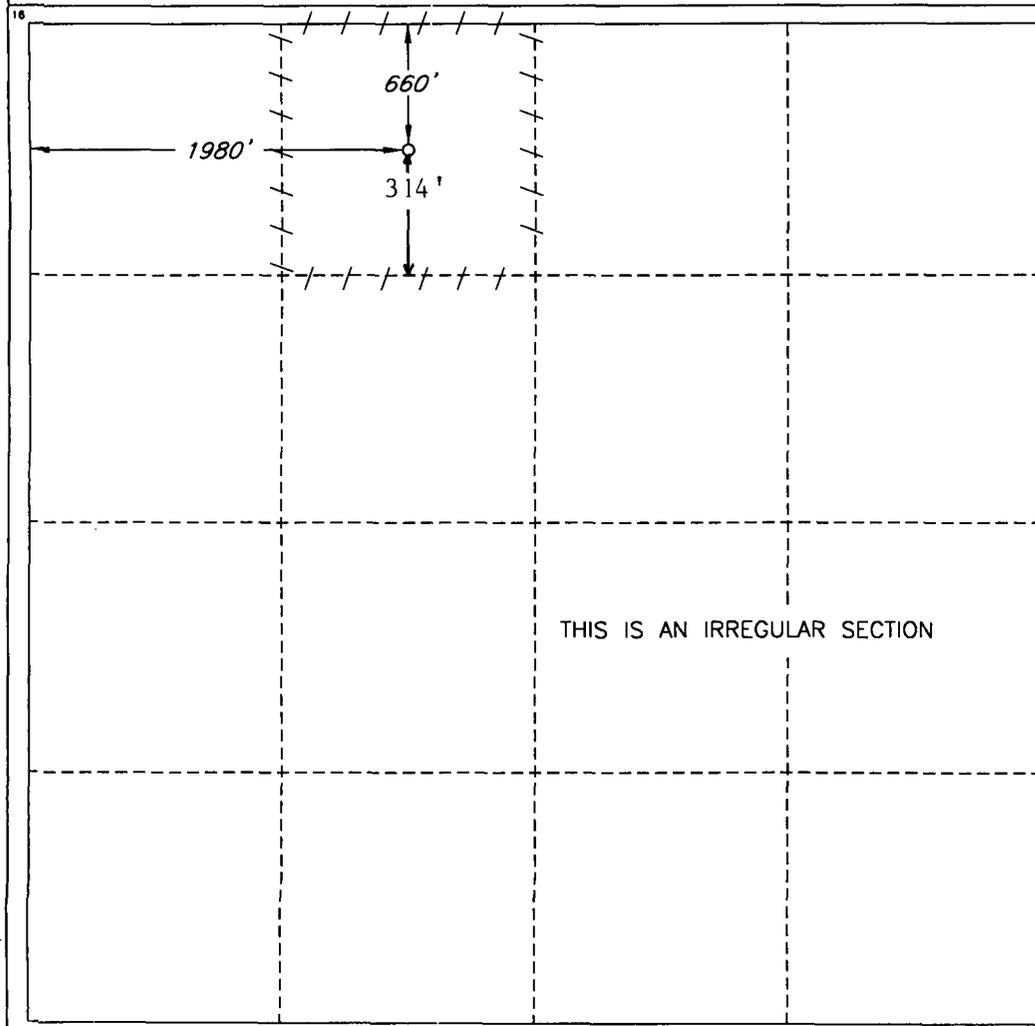
DISTRICT III
 1000 Rio Brazos Rd.
 Aztec, NM 87410

AMENDED REPORT

DISTRICT IV
 P. O. Box 2088
 Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 03713		³ Pool Name Undesignated Avalon Bone Spring East					
⁴ Property Code		⁵ Property Name EXXON FEDERAL '4'					⁶ Well Number 1		
⁷ OGRID No. 014245		⁸ Operator Name MATADOR OPERATING COMPANY					⁹ Elevation 3189'		
¹⁰ SURFACE LOCATION									
UL or lot no. LOT 3	Section 4	Township 21 SOUTH	Range 27 EAST, N.M.P.M.	Lot Ida	Feet from the 660'	North/South line NORTH	Feet from the 1980'	East/West line WEST	County EDDY
¹¹ "BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres *		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No. *Application Pending for Non-Standard Unit			
NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION									



OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *John W. Bell*
 Printed Name: John W. Bell
 Title: Drilling Manager
 Date: 9-25-98

SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

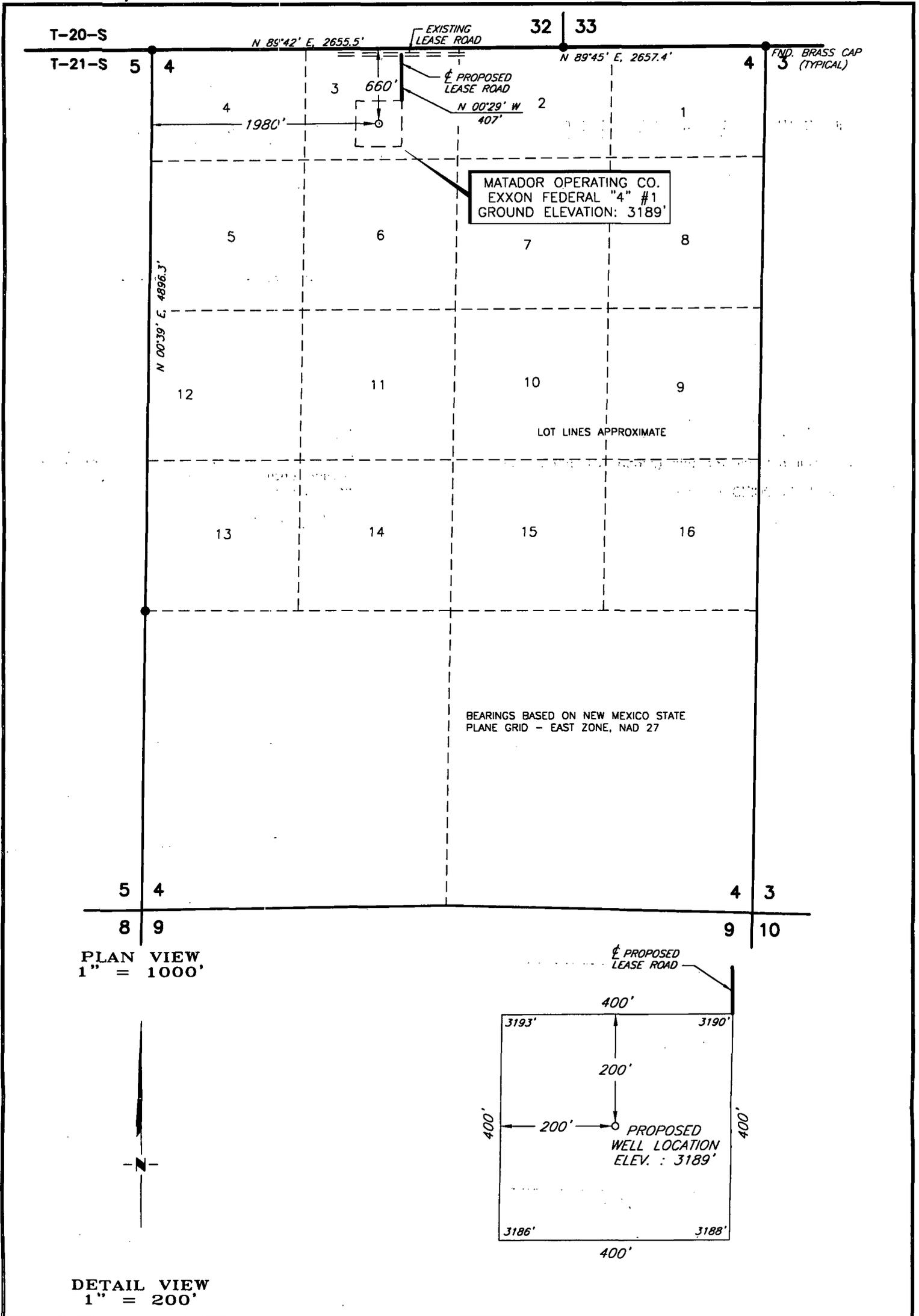
Date of Survey: SEPTEMBER 14, 1998

Signature and Seal of Professional Surveyor:

 V. LYNN BEZNER
 NO. 7920

Certified by:
 V. LYNN BEZNER, L.S. #7920
 JOB #60149 / 4 SW / JSJ

PLAT SHOWING PROPOSED
WELL LOCATION AND LEASE ROAD IN
SECTION 4, T-21-S, R-27-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO



1	LOT LINE NOTE	9/3/98	MR
NO.	REVISION	DATE	BY
SURVEYED BY:		R.J.O.	
DRAWN BY:		JSJ	
APPROVED BY:		R.M.R.	

MATADOR OPERATING COMPANY

SURVEYING AND MAPPING BY
TOPOGRAPHIC LAND SURVEYORS
MIDLAND, TEXAS

SCALE:	AS SHOWN
DATE:	SEPTEMBER 14, 1998
JOB NO.:	60149-F
QUAD NO.:	74 SW
SHEET :	1 OF 1

8340 MEADOW ROAD, STE 158
DALLAS, TX 75231
Phone: 214-987-7144
Fax: 214-987-7123



Fax

To: MIKE STOGNER - NMOCD **From:** JOHN W. BELL

Fax: 505-827-7389 **Date:** September 30, 1998

Phone: [Click here and type phone number] **Pages:** 2

Re: EXXON FED COM 4 #1 **CC:** [Click here and type name]

Urgent For Review Please Comment Please Reply Please Recycle

•Comments: HERE IS MAP SHOWING ENTIRE ACREAGE COVERED BY FEDERAL LEASE 98124 HELD BY EXXON. WE HAVE FARMED OUT ALL OF WEST/2 OF SEC 4, EXCEPT FOR TR2, OF THE AVALON DELAWARE UNIT, WHICH IS THE VERY NW CORNER OF THE SEC. WE WILL CALL YOU AFTER LUNCH.

John W Bell

9-30-98

*Talked w/ John Bell → Gave verbal
will hold this application until well is
completed and see which pool the
Bone Spring is placed in.*

M. Stogner

Matador Petroleum Corporation
8340 Meadow Ridge Road
Dallas, TX 75231
Phone: 214-987-7100
Fax: 214-987-7122 Engineering



Fax

To: Bryan	From: Patti Lankford
Fax: 505-748-9720	Date: 10-6-98
Pages: 5	
Re: OGI	

Urgent For Review Please Comment Please Reply Please Recycle

Comments:

Please send Michael Stogner verification of our conversation whereby the pool shown on our Application for Permit to Drill to the ELM was discussed and designated.

He has asked for this since we have asked for exceptions for non-standard proration unit and location.

Thank you for your help.

Dear Patti; - Well is to be left undesignated as noted until well is completed.

*Bryan Arrant
Bryan Arrant*

*Mike - For your records.
Bryan*

To: Mike Stogner

STATES THE INTERIOR MANAGEMENT

IT TO DRILL OR DEEPEN

SUBMIT IN THE STATES (Other instructions on reverse side)

Form approved, Budget Bureau No. 1004-0136 Expires: December 31, 1991

1. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>	2. STATE COMPLETION AND SERIAL NO. NM95124
3. NAME OF OPERATOR Matador Operating Company	4. W. FEDERAL, ADDRESS OR OTHER DATA EXXON Federal "6" #1
4. ADDRESS AND PHONE 8340 Meadow Rd., #158, Dallas, TX 75231, 214-987-7100	5. APPROVAL Und Avalon Knox Spring East
5. LOCATION OF WELL (Include Section, Range and Township with any other landmarks) 660 EML; 1980 FHL	6. SIGNATURE AND TITLE OF OPERATOR AND COUNTY OR AREA

Matador Petroleum Corporation
8340 Meadow Road #158
Dallas, TX 75231
Phone: 214-987-3650
Fax: 214-987-7123 Engineering

Matador Petroleum

Fax

To: Michael Stogner **From:** Patti Lankford
Fax: 505-827-8177 **Date:** October 7, 1998
Phone: **Pages:** 2
Re: Exxon Federal 4 #1 **CC:**

Urgent **For Review** **Please Comment** **Please Reply** **Please Recycle**

•Comments:

We are sending you the fax that Bryan Arrant sent in response to our request for confirmation of the pool designation for our proposed well.

Please advise if you need further information to complete your considerations.

Hope you can read it all after multiple fax transmissions.

My direct line is 214-987-7130.

Matador Petroleum Corporation
8340 Meadow Road #158
Dallas, TX 75231
Phone: 214-987-3550
Fax: 214-987-7123 @matador



Fax

To: Bryan	From: Patti Lankford
Fax: 505-748-9720	Date: 10-6-98
Phone:	Page: 5
Pin:	OO:

Urgent
 For Review
 Please Comment
 Please Reply
 Please Reply

<Comments>

Please send Michael Stagner verification of our conversation whereby the pool shown on our Application for Permit to Drill to the BLM was discussed and designated.

He has asked for this since we have asked for exceptions for non-standard operation unit and location.

Thank you for your help.

Dear Patti - Well is to be left undesignated as noted until well is completed.

Bryan Arrant
Bryan Arrant

Form 2150-3
(December 1997)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFICE OF THE DIRECTOR
(Other Instructions on
reverse side)

Form Approved
EPA Form No. 1004-0128
Replaces November 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

a. TYPE OF WELL
DRILL **DEEPEN**

b. TYPE OF WELL
 WATER **MINERAL** **OTHER** **OTHER** **OTHER**

c. NAME OF OPERATOR
Matador Operating Company

d. OPERATOR'S ADDRESS
8340 Meadow Rd., #158, Dallas, TX 75231, 214-987-7140

e. PURPOSE OF WELL (Please check all that apply and be consistent with any other requirements.)
 WATER **MINERAL** **OTHER** **OTHER**

f. LAND ACQUISITION AND SURVEY NO.
NM98124

g. BUREAU ADDRESS TO WHICH MAIL
Exxon Federal "A" #1

h. STATE
TEXAS

i. TITLE AND WORK, OR OPERATOR
Undeveloped Area Spring East

j. DATE OF FILING
10/06/98

Stogner, Michael

From: Arrant, Bryan
Sent: Thursday, May 27, 1999 11:29 AM
To: Stogner, Michael
Subject: FW: Avalon; Bone Spring East

In addition, we will not approve their C-104 until a NSP and NSL is approved.

From: Arrant, Bryan
Sent: May 27, 1999 11:13 AM
To: ~~Stogner, Michael~~
Subject: Avalon; Bone Spring East

Mike,

I have faxed to you a completion report on Matador's Exxon '4' Federal #1. I noticed that the GOR is significantly higher than the Avalon; Bone Spring, East pool special pool rules of 5000/1 GOR. Back @ the 1st of October of last year, I remember that you needed to see their well information when I reviewed it. We just got the logs a few days on the 24th so this is why I have not looked at their file until now.

What I intend to do here is extend on the next nomenclature this well into the Avalon pool **when a NSL and NSP is approved**. Give me a call if you need to talk about this further.

Bryan

Stogner, Michael

From: Arrant, Bryan
Sent: Thursday, May 27, 1999 11:13 AM
To: Stogner, Michael
Subject: Avalon; Bone Spring East

Mike,

I have faxed to you a completion report on Matador's Exxon 4 Federal #1. I noticed that the GOR is significantly higher than the Avalon; Bone Spring, East pool special pool rules of 5000/1 GOR. Back @ the 1st of October of last year, I remember that you needed to see their well information when I reviewed it. We just got the logs a few days on the 24th so this is why I have not looked at their file until now.

What I intend to do here is extend on the next nomenclature this well into the Avalon pool. Give me a call if you need to talk about this further.

Bryan

OIL CONSERVATION DIVISION
ARTESIA, NEW MEX. 88210

TO: Mike Stogner

FROM: Bryan Arrant

DATE: 5-27-99

NUMBER OF SHEETS (INCLUDING TRANSMITTAL SHEET) 2

IF YOU HAVE ANY PROBLEMS WITH THIS TRANSMISSION, PLEASE CALL 505-748-1283.

FAX NUMBER (505) 748-9720

Form 3180-4 (July 1992)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUBMITTED TO Division 811 S. 1st Artesia, NM

FORM APPROVED OMB NO. 1004-0137 Expires: February 28, 1995

CLSF

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

LEASE DESIGNATION AND SERIAL NO. NM98124

IF INDIAN, ALLOTTEE OR TRIBE NAME

UNIT AGREEMENT NAME

FARM OR LEASE NAME, WELL NO. Exxon Federal 4 #1

API WELL NO. 30-015-30449

FIELD AND POOL, OR WILDCAT Undesg. Avalon B.S. East

SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Sec 4, T21S, R27E

COUNTY OR PARISH Eddy STATE NM

ELEVATIONS (DF, RKB, RT, GE, ETC.) 3200' RKB

ROTARY TOOLS X

WAS DIRECTIONAL SURVEY MADE No

WAS WELL CORED No

CASING RECORD (Report all strings set in well)

Table with columns: CASING SIZE/GRADE, WEIGHT, LB./FT., DEPTH SET (MD), HOLE SIZE, TOP OF CEMENT, CEMENTING RECORD, AMOUNT PULLED

LINER RECORD

Table with columns: SIZE, TOP (MD), BOTTOM (MD), SACKS CEMENT, SCREEN (MD), SIZE, DEPTH SET (MD), PACKER SET (MD)

PERFORATION RECORD (Interval, size and number)

Table with columns: INTERVAL, SIZE AND NUMBER, ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

PRODUCTION

DATE FIRST PRODUCTION 12/08/98 PRODUCTION METHOD Flowing WELL STATUS Producing

Table with columns: DATE OF TEST, HOURS TESTED, CHOKER SIZE, PROD'N FOR TEST PERIOD, OIL-BBL, GAS-MCF, WATER-BBL, GAS-OIL RATIO

Table with columns: FLOW. TUBING PRESS., CASING PRESSURE, CALCULATED 24-HOUR RATE, OIL-BBL, GAS-MCF, WATER-BBL, OIL GRAVITY-API (CORR.)

DISPOSITION OF GAS Sold TEST WITNESSED BY Perry Wilbanks

LIST OF ATTACHMENTS

I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Russ Mathis TITLE Russ Mathis - Production Manager DATE 2/19/99

(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes 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.

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

09/30/98 10:02:45
OGOIV -EMFH
PAGE NO: 1

Sec : 04 Twp : 21S Rng : 27E Section Type : NORMAL

12 40.00 Federal owned A A A	4 29.74	5 40.00	11 40.00	3 29.63	6 40.00	10 40.00	2 29.51	7 40.00	1 29.40	8 40.00	9 40.00
13 40.00 Federal owned A	14 40.00 Federal owned		15 40.00 Federal owned			16 40.00 Federal owned					

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5ULST

ONGARD
INQUIRE ULSTR PRODUCTION AND AGREEMENT DATA

09/30/98 10:03:15
OGOIV -EMFH
PAGE NO: 1

Sec : 04 Twp : 21S Rng : 27E UL: 3 Lot-Idn :
Acreage : 29.63 Bene Grp : Seismic Permit :
Lease Number : NO ACT IVE Expr Dte :
Lessesee :
Comm Agr Names :

Unit Agr Names :

S	API Num	Status
---	---------	--------

M5005: Header data found. No well data found

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09	PF10	PF11	PF12

Sec : 04 Twp : 21S Rng : 27E Section Type : NORMAL

L 40.00 Federal owned	K 40.00 Federal owned	J 40.00 Federal owned	I 40.00 Federal owned
M 40.00 Federal owned	N 40.00 Federal owned	O 40.00 Federal owned A	P 40.00 Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

N.M. Oil
811 S. 1st
Artesia, N.M.

Division FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

SF

5. LEASE DESIGNATION AND SERIAL NO.
0-2834 NM98124

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other
 b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME

2. NAME OF OPERATOR
Matador Operating Company

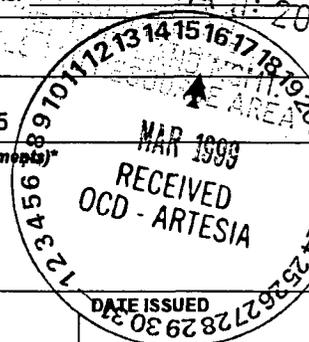
8. FARM OR LEASE NAME, WELL NO.
Exxon Federal 4 #1

3. ADDRESS AND TELEPHONE NO.
310 W. Wall, Ste. 906 Midland, TX 79701 915-687-5955

9. API WELL NO.
30-015-30449

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface
660' FNL & 1980' FWL
At top prod. interval reported below
At total depth

10. FIELD AND POOL, OR WILDCAT
Undesg. Avalon B.S. East
11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Sec 4, T21S, R27E



12. COUNTY OR PARISH
Eddy
13. STATE
NM

15. DATE SPUDDED 10/28/98
16. DATE T.D. REACHED 11/09/98
17. DATE COMPL. (Ready to prod.) 12/08/98
18. ELEVATIONS (DF, RKB, RT, GE, ETC.)* 3200' RKB
19. ELEV. CASINGHEAD 3191'

20. TOTAL DEPTH, MD & TVD 6782'
21. PLUG, BACK T.D., MD & TVD 6747 Float collar
22. IF MULTIPLE COMPLETIONS HOW MANY?
23. INTERVALS DRILLED BY ROTARY TOOLS X
CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION-TOP, BOTTOM, NAME (MD AND TVD)
Bone Springs 6304 - 6418'
25. WAS DIRECTIONAL SURVEY MADE
No

26. TYPE ELECTRIC AND OTHER LOGS RUN
DIL-GR, CNL-LDL - GR - Cal, CBL
27. WAS WELL CORED
No

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB/FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13 3/8	48	618'	17 1/2"	300 sx POZ C 12.4 ppg, 200 sx C 14.8 ppg	
8 5/8	24	2628'	11"	200 sx THIX, 450 sx H	
5 1/2	15.5	6782'	7 7/8"	130 sx Class C 12% CaCl2	
				50 sx C @ 14.8 ppg + 850 Super C @ 13 ppg	

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8	6192	6206

31. PERFORATION RECORD (Interval, size and number)
6304-10, 6340-44, 6362-64, 6374-76, 6390-92, 6396-6400, 6416 - 18'
Shot 2 SPF, 40 holes
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.
DEPTH INTERVAL (MD) AMOUNT AND KIND OF MATERIAL USED
6304-6418 300 gals, 15% NEFE
frac, w/74,000 gals YF-135 w/181,000
16/30 sand & prop net. (Dowell)

33. * PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)					
12/08/98	Flowing	Producing					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
12/19/98	24	14/64		25	408	162	16320
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
200	0		25	408	162		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Sold
TEST WITNESSED BY
Perry Wilbanks

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED Russ Mathis TITLE Russ Mathis - Production Manager DATE 2/19/99

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil & Gas Division
811 S. 1st
Artesia, N.M.

FORM APPROVED
Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
NM98124

6. If Indian, Allottee or Tribe Name

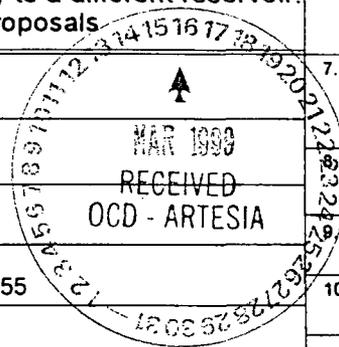
7. If Unit or CA, Agreement Designation

8. Well Name and No.
Exxon Federal 4 #1

9. API Well No.
30-015-30449

10. Field and Pool, or Exploratory Area
Undesg. Avalon BS East

11. County or Parish, State
Eddy Co., NM



SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Matador Operating Company

3. Address and Telephone No.
310 W. Wall, Ste 906 Midland, TX 79701 915-687-5955

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660 FNL & 1980 FWL
Sec 4, T21S, R27E

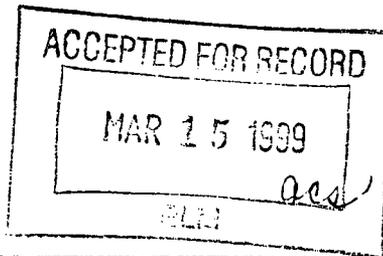
12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Perforate Upper Bone Springs from 6304-10, 6340-44, 6362-64, 6374-76, 6390-92, 6398-6400 and 6416-18'. All zones shot 2 spf. Frac perfs 6304-6418' via csg w/74000 gas Y 135 using 181,000 lbs 16/30 Ottawa sand. Set packer @ 6207'. Test csg/pkr to 1000 psi, OK. Open well to tanks 12/8/98.



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

Signed Russ Mathis

Title Russ Mathis - Production Manager

Date 02/19/99

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5F

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.
NM 98124

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Matador Operating Company

3. Address and Telephone No.
 8340 Meadow Rd., #158, Dallas, TX 75231, 214-987-7144

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 660 FNL-1980 FWL
 Sec 4, T21S, R27E

8. Well Name and No.
 Exxon Federal "4" #1

9. API Well No.
 30-015-30449

10. Field and Pool, or Exploratory Area
 Und Avalon Bone Spring East

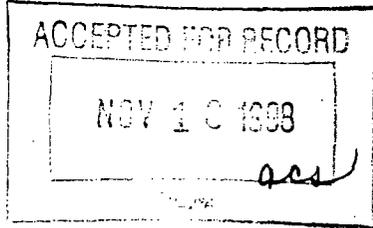
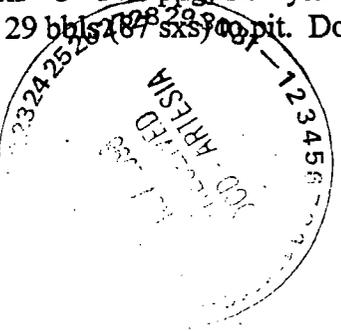
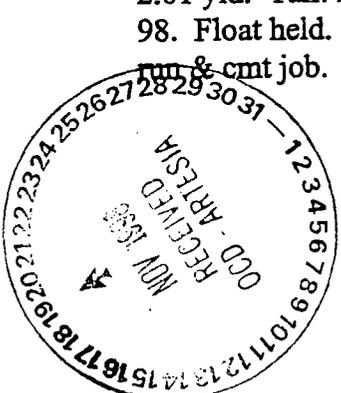
11. County or Parish, State
 Eddy, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent <input checked="" type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other <u>Spud & set csg.</u>
	<input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose Water <small>(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log (orm.)</small>

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Well was spudded @ 3:00 PM CST 10-28-98. Drilled 17-1/2" hole to 618'. Ran 14 jts 13-3/8" 48# H-40 csg. Set @ 618'. BJ cmt w/ Lead 300 sxs Poz C, 12.4 ppg, 2.01 yld. Tail: 200 sxs "C" 14.8 ppg. 1.34 yld. Bumped plug @ 3:15 AM 10-20-98. Float held. Circ 29 bbls 16" sxs 900 pit. Don Early w/ BLM witnessed csg run & cmt job.



14. I hereby certify that the foregoing is true and correct
 Signed J. W. Bell Title Drilling Manager Date 11-2-98

(This space for Federal or State office use)
 Approved by _____ Title _____ Date _____
 Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes 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.

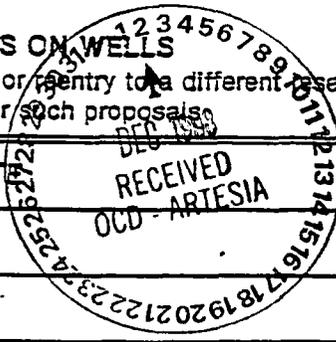
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0155
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.

SUBMIT IN TRIPLICATES



1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Matador Operating Company

3. Address and Telephone No.
 8340 Meadow Rd., #158, Dallas, TX 75231, 214-987-7144

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 660 FNL-1980 FWL
 Sec 4, T21S, R27E

5. Lease Designation and Serial No.
 NM 98124

6. If Indian, Allottee or Tribe Name

7. If Unit or CA. Agreement Designation

8. Well Name and No.
 Exxon Federal "4" #1

9. API Well No.
 30-015-30449

10. Field and Pool, or Exploratory Area
 Und Avalon Bone-Spring East

11. County or Parish, State
 Eddy, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Run csg & cmt, TD</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log (orm.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Drilled 11" hole to 2628'. Ran 63 jts 8-5/8" 24# J-55 ST&C csg. Set @ 2628'.
 Cemented w/ 200 sx Thix w/ 5# sx Gilsonite, 1% CaCl₂, 1/4#/sk/Celloflake + 450
 sx H w/ 16% Gel, 2% salt, 5#sx gilsonite, 1/4# Celloflake. Tail in w/ 200 sx "C",
 2% CaCl₂. Did not circ any fluid. 600 psi final circ press. WOC & WO delivery
 f/ 1" top out. RIH beside csg w/ 90' 1" pipe. Tag @ 90'. Cmt w/ 130 sx "C" w/
 2% CaCl₂. Cmt to surface. ND BOP's and test.

(ORIG. SGD.) GARY GOURLEY

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

Signed [Signature] Title Drilling Manager Date 11-13-98

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
 Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Matador Operating Company 14245

3. ADDRESS AND TELEPHONE NO.
 8340 Meadow Rd., #158, Dallas, TX 75231, 214-987-7144

4. LOCATION OF WELL (Report location clearly and in accordance with applicable State requirements.)
 At surface: 660 FNL; 1980 FWL
 At proposed prod. zone: **SUBJECT TO LIKE APPROVAL BY STATE** Lot 3

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 6 miles North of Carlsbad

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 660'

16. NO. OF ACRES IN LEASE
 1529.88 ac

17. NO. OF ACRES ASSIGNED TO THIS WELL
 30.07 ac

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 NA

19. PROPOSED DEPTH
 6600'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3189' GL

22. APPROX. DATE WORK WILL START*
 Oct: 19, 1998

5. LEASE DESIGNATION AND SERIAL NO.
 NM98124

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 41 23809

8. FARM OR LEASE NAME, WELL NO.
 Exxon Federal #1

9. API WELL NO.
 30-015-30449

10. FIELD AND POOL, OR WILDCAT
 Und Avalon Bone Spring East

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec 4, T21S, R27E

12. COUNTY OR PARISH
 Eddy

13. STATE
 NM

17. NO. OF ACRES ASSIGNED TO THIS WELL
 30.07 ac

Non-standard unit approval pending.

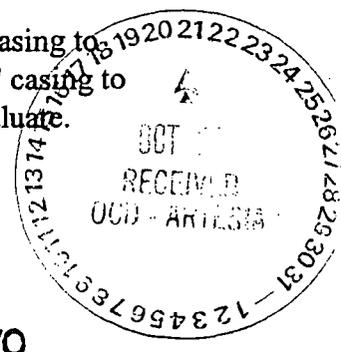
23. PROPOSED CASING AND CEMENT **CARLSBAD CONTROLLED WATER BASIN**

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8" H-40	48#	600'	1100 sx WITNESS
11"	8-5/8" J-55	24#	2600'	1100 sx
7-7/8"	5-1/2" J-55	15.5#	6600'	1000 sx

Drill 6600' Bone Spring test. Drill 17-1/2" hole to ±600. Run and cement 13-3/8" casing to surface. NU BOP stack and drill 11" hole to ±2600'. Run and cement 8-5/8" casing to surface. NU 3M BOP assembly and test. Drill 7-7/8" hole to ±6600 and evaluate.

- Well Location and Acreage Dedication Plat
 Application for Permit to Drill (Drilling Program)
 Surface Use Plan
 Exhibit A, Area Map
 Exhibit B, Wellsite Plan
 Exhibit C, Production Map
- Exhibit D, BOP schmatic & choke Manifold
 Well Plan Outline
 Topo Map

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED John V Bell TITLE Drilling Manager DATE 9-25-98

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval 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.
CONDITIONS OF APPROVAL, IF ANY:

(ORIG. SGD.) ARMANDO A. LOPEZ

Acting Assistant Field Office Manager,
Lands and Minerals

APPROVED BY _____ TITLE _____ DATE 10/20/98

*See Instructions On Reverse Side

DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94
Instructions on back

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies.

DISTRICT III
1000 Rio Brozos Rd.
Aztec, NM 87410

AMENDED REPORT

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

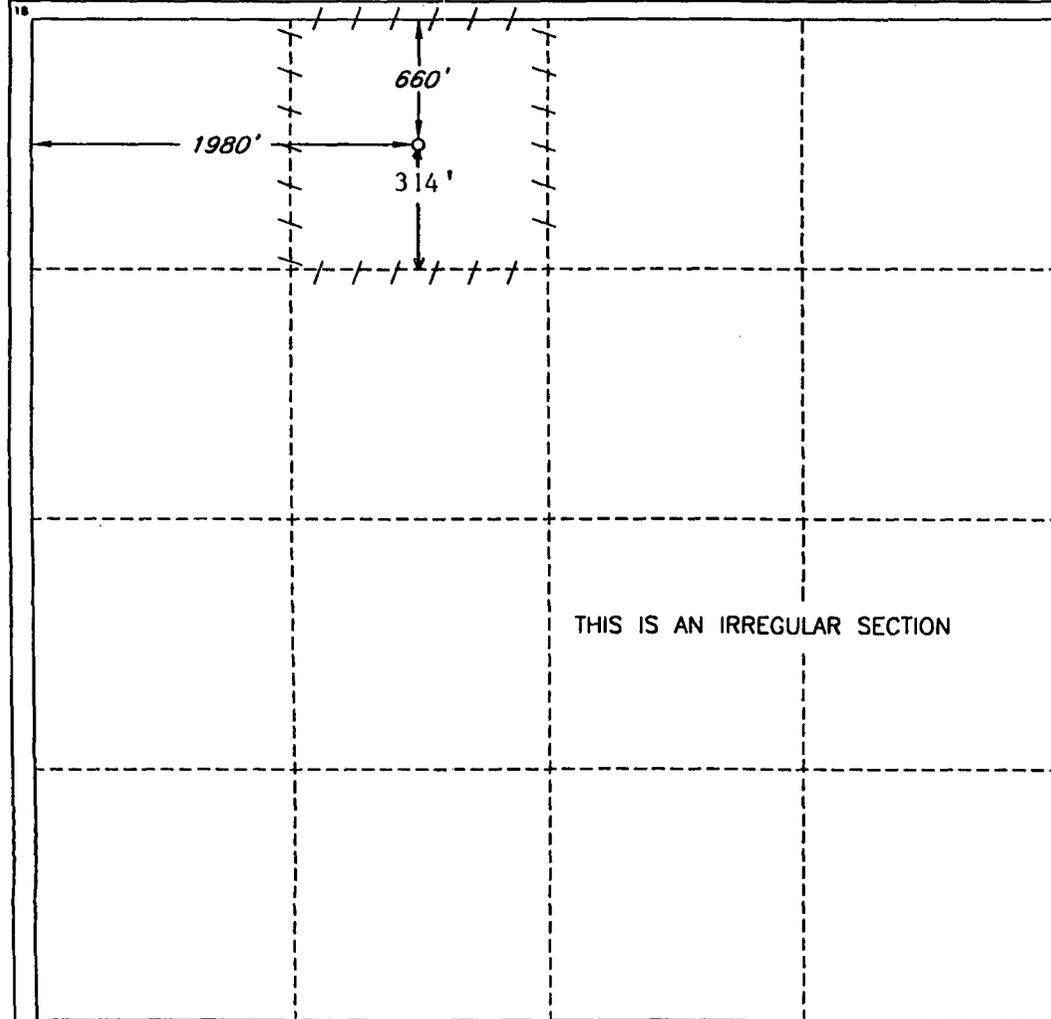
1 API Number		2 Pool Code 03713		3 Pool Name Undesignated Avalon Bone Spring East	
4 Property Code		5 Property Name EXXON FEDERAL '4'			6 Well Number 1
7 OGRID No. 014245		8 Operator Name MATADOR OPERATING COMPANY			9 Elevation 3189'

10 SURFACE LOCATION									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
LOT 3	4	21 SOUTH	27 EAST, N.M.P.M.		660'	NORTH	1980'	WEST	EDDY

11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres * 30.07	13 Joint or Infill	14 Consolidation Code	15 Order No. *Application Pending for Non-Standard Unit
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *John W. Bell*
Printed Name: John W. Bell
Title: Drilling Manager
Date: 9-25-98

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: SEPTEMBER 14, 1998
Signature and Seal of Professional Surveyor: *V. Lynn Beznar*
Professional Surveyor No. 7920
V. LYNN BEZNER
NO. 7920
V. LYNN BEZNER S.P.S. #7920
JOB #60149 SW / JSJ

MATADOR PETROLEUM CORPORATION

SUITE 158, PECAN CREEK
8340 MEADOW ROAD
DALLAS, TEXAS 75231-3751
(214) 987-3650
FAX: (214) 691-1415

September 25, 1998

Michael Stogner
Energy, Minerals & Natural Resources Department
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Re: Exxon Federal "4" #1
660 FNL, 1980 FWL
Sec 4, T21S, R27E
Eddy County, New Mexico

Dear Mr. Stogner:

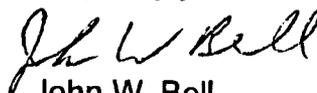
Matador Operating Company is requesting an exception for a non-standard proration unit and non-standard location for our Exxon Federal "4" #1 as referenced above.

Matador staked the Exxon Federal "4" #1 well in Lot 3 of Section 4 as shown on the attached C-102 plat. This Section 4 is an irregular section and it has come to our attention that Lot 3 contains only +/-30 acres. For a Bone Spring completion, the proration unit is usually 40 acres, therefore Matador Operating is requesting an exception for a non-standard proration unit.

We are also requesting an exception for a non-standard location. This well is staked 660' from the North section line, but it is only 314' from the South lot line. Matador is requesting an exception for the non-standard distance from the south line of Lot 3.

Please let me know if you require any more information or you need to discuss this further. I may be reached at 214-987-7144. Thank you.

Very truly yours,



John W. Bell
Drilling Manager

Cc: Tom Kellahin

