

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Hearthier Riley, Division Director
Oil Conservation Division



February 8, 2018

Matador Production Company
Attn: Ms. Jordan L. Kessler

NON-STANDARD LOCATION

Administrative Order NSL-7631

Matador Production Company
OGRID 228937
Colonel R. Howard Com Well No. 1
API No. 30-015-42703

Proposed Surface Location; Vertical Well

<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
331' FNL & 330' FWL	D	23	23S	27E	Eddy

Proposed Gas Units:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 of Section 23	320	Carlsbad; Morrow, South (GAS)	73960

Reference is made to your application received on January 12, 2018.

You have requested to drill this 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 to be located at least 660 feet from outer unit boundaries.

The well's completed interval at 330 feet and 331 feet, instead of standard will cause an encroachment toward the following locations:

Section 22, encroachment to the West
Section 15, diagonal encroachment to the Northwest
Section 14, encroachment to the North

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 (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 interests in Section 23.

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.

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.

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


HEATHER RILEY
Director

HC/lrl

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Field Office