

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



September 14, 2018

Matador Production Company
Attn: Ms. Jordan L. Kessler

NON-STANDARD LOCATION

Administrative Order NSL-7631-A

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

Proposed Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N2 of Section 23	320	Loving; Atoka, Southeast (Gas)	80705

Reference is made to your application received on August 17, 2018.

You have requested to drill this vertical 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.

This well's completed interval is as close as 330 feet to the western edge and 331 feet to the northern edge of the spacing area. Encroachments will impact the following tracts.

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

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.


The Division understands the Applicant seeks this location in order to efficiently produce its interests from the Atoka formation underlying the N2 of Section 23.

Your application has been filed under 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.


HEATHER RILEY
Director

HR/lrl

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