

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**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.

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", with a stylized, cursive script.

Jami Bailey  
Director

JB/mam

cc: New Mexico Oil Conservation Division – Artesia