

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



January 4, 2016

Matador Production Company
Attn: Ms. Jennifer L. Bradfute

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7369
Administrative Application Reference No. pMAM1534260307

Matador Production Company
OGRID 228937
Jimmy Kone 05-24S-28E RB # 207 H
API No. 30-015-43476

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2443` FSL & 320` FEL	I	5	24S	28E	Eddy
Penetration Point	1650` FSL & 330` FEL	I	5	24S	28E	Eddy
Final perforation	1650` FSL & 330` FWL	L	5	24S	28E	Eddy
Terminus	1650` FSL & 240` FWL	L	5	24S	28E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Formation (Product)</u>	<u>Pool Code</u>
S/2 of Section 5	320	Culebra Bluff, Wolfcamp South (Gas)	75750

Reference is made to your application received on December 8, 2015.

You have requested to drill this horizontal well at an unorthodox oil 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.

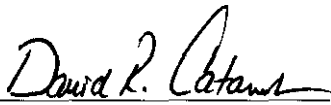
It is our understanding that you are seeking this location for the purposes of maximizing recovery of oil and gas reserves.

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 January 4, 2016.


DAVID R. CATANACH
Director

DRC/lrl

cc: New Mexico Oil Conservation Division – Artesia