

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



May 17, 2016

Matador Production Company
Attn: Ms. Zoe E. Lees

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7415

Matador Production Company
OGRID 228935
Charlie Sweeney 31 23S 28E RB Well # 201 H
API No. 30-015-Pending

Proposed Location:

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|-------------------|---------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 492` FSL & 497` FWL | M/4 | 30 | 23S | 28E | Eddy |
| Penetration Point | 330` FNL & 330` FWL | D/1 | 31 | 23S | 28E | Eddy |
| Final perforation | 330` FSL & 330` FWL | M/4 | 31 | 23S | 28E | Eddy |
| Terminus | 240` FSL & 330` FWL | M/4 | 31 | 23S | 28E | Eddy |

Proposed Gas Spacing Unit:

| <u>Description</u> | <u>Acres</u> | <u>Formation (Product)</u> | <u>Pool Code</u> |
|--------------------|--------------|-----------------------------------|------------------|
| W/2 of Section 31 | 319.58 | Black River; Wolfcamp East (G) | 97442 |

The NSL application was initially protested on March 1, 2016 and was set for Hearing. The protest was resolved between parties.

Reference is made to your application received on February 8, 2016.

You have requested to drill this horizontal 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 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 surface location is outside the project area. 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 Matador is seeking this location to efficiently produce its interest in Section 31.

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.

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, 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.



DAVID R. CATANACH
Director

DRC/lrl

cc: Oil Conservation Division – Artesia District Office
State Land Office – Oil, Gas, and Minerals Division
Bureau of Land Management - Carlsbad