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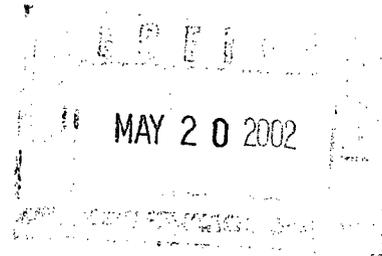
DHC

NA

**MATADOR PETROLEUM CORPORATION**

SUITE 150, PECAN CREEK  
8340 MEADOW ROAD  
DALLAS, TEXAS 75231-3751  
(214) 987-7174  
FAX: (214) 987-7123

April 30, 2002



Mr. Chris Williams  
New Mexico Oil Conservation Division  
1625 N. French Drive  
Hobbs, NM 88240

Re: Approval for Downhole Commingle of  
Williams "34" #3 Well  
API 30-025-35711

Dear Mr. Williams:

Pursuant to Division Order No. R-11363, Matador Operating Company hereby requests approval to commingle production from the recently completed Williams "34" #3 well. We desire to commingle production from the NW Skaggs Drinkard Pool 96768 and Wildcat Glorieta Pool 97203. The perforated interval for the Drinkard is 6836' to 6918' and the perforated interval for the Glorieta formation is 5242' to 5313'.

The rate for the Drinkard formation prior to setting CIBP was 11 BOPD and estimated 119 MCFD. The previously reported rate for the Glorieta formation is 33 BOPD and 0 MCFD (C-105 attached).

Matador proposes that 25% of the oil production and 100 % of the gas production be allocated to the Drinkard formation.

We believe that commingling will not reduce the value of the total remaining production. My understanding is that since ownership and percentage of ownership between the two pools is common, notice to interest owners is not required.

If you need any additional information, please feel free to contact me at (214) 987-7174.

Sincerely,

Sharon Cook  
Regulatory Analyst

/sc

Enclosures



District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Avenue, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO.  
 30-025-35711

5. Indicate Type of Lease  
 STATE  FEE

State Oil & Gas Lease No.

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well:  
 OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

b. Type of Completion:  
 NEW  WORK  DEEPEN  PLUG  DIFF.  
 WELL OVER BACK RESVR.  OTHER

2. Name of Operator  
 Matador Operating Company

3. Address of Operator  
 310 W. Wall, Suite 906 Midland, TX 79701

4. Well Location  
 Unit Letter D : 330 Feet From The South Line and 2170 Feet From The East Line  
 Section 34 Township 19S Range 37E NMPM Lea County

7. Lease Name or Unit Agreement Name  
 Williams "34"

8. Well No.  
 3

9. Pool name or Wildcat  
 Wildcat Glorieta

10. Date Spudded 9/25/01 11. Date T.D. Reached 10/23/01 12. Date Compl. (Ready to Prod.) 12/26/01 13. Elevations (DF& RKB, RT, GR, etc.) 3579 KB 14. Elev. Casinghead 3579 KB

15. Total Depth 7050 16. Plug Back T.D. 6756 17. If Multiple Compl. How Many Zones? 18. Intervals Drilled By Rotary Tools Cable Tools X

19. Producing Interval(s), of this completion - Top, Bottom, Name 5242 - 5313 Wildcat Glorieta 20. Was Directional Survey Made No

21. Type Electric and Other Logs Run Newton/Density, DDL w/MSFL 22. Was Well Cored No

**23. CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8	24	1425	12 1/4	375 sx Class C	97 sx to Pit
4 1/2	11.6	7050	7 7/8	1000 sx Class C & 1250 sx Class C Lite	398 sx to Pit

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8	5501	None

26. Perforation record (interval, size, and number)  
 5242-54, 5260-65, 5270-75, 5278-82, 5293-5313, .35 entry hole, 184 holes  
 CIBP @ 6786, 30' cement on top.  
 6836 - 6918, .34 entry hole, 36 holes (plugged off)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.  

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
5242 - 5313	7000 gals 15% NEFE HCL w/2900 # Rock Salt
6836 - 6918	83700 lbs 20/40, 2175 bbl Water

**28. PRODUCTION**

Date First Production 12/26/01 Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping Well Status (Prod. or Shut-in) Producing

Date of Test 12/31/01 Hours Tested 24 Choke Size NA Prod'n For Test Period Oil - Bbl 33 Gas - MCF 0 Water - Bbl 198 Gas - Oil Ratio 1.15

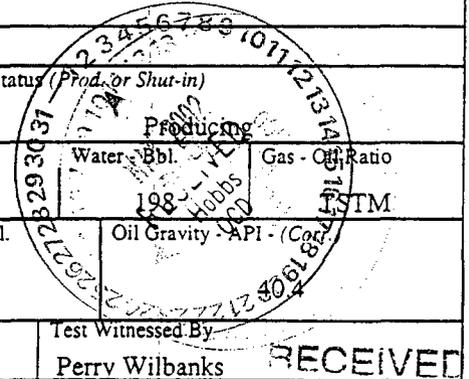
Flow Tubing Press. Casing Pressure 50 Calculated 24-Hour Rate Oil - Bbl Gas - MCF Water - Bbl Oil Gravity - API - (Corr.)

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold Test Witnessed By Perrv Wilbanks

30. List Attachments  
 C104, C103, C102, Deviation Report, Logs

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature Russ Mathis Printed Name Russ Mathis Title Production Manager Date 3/28/02



# INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depth shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

## INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

### Southeastern New Mexico

T. Anhy 1337 _____	T. Canyon _____
T. Salt _____	T. Strawn _____
B. Salt _____	T. Atoka _____
T. Yates 2624 _____	T. Miss _____
T. 7 Rivers 2847 _____	T. Devonian _____
T. Queen 3521 _____	T. Silurian _____
T. Grayburg 3679 _____	T. Montoya _____
T. San Andres _____	T. Simpson _____
T. Glorieta 5238 _____	T. McKee _____
T. Paddock 5339 _____	T. Ellenburger _____
T. Blinebry 5736 _____	T. Gr. Wash _____
T. Tubb 6336 _____	T. Delaware Sand _____
T. Drinkard 6656 _____	T. Bone Springs _____
T. Abo 6947 _____	T. _____
T. Wolfcamp _____	T. _____
T. Penn _____	T. _____
T. Cisco (Bough C) _____	T. _____

### Northwestern New Mexico

T. Ojo Alamo _____	T. Penn. "B" _____
T. Kirtland-Fruitland _____	T. Penn. "C" _____
T. Pictured Cliffs _____	T. Penn. "D" _____
T. Cliff House _____	T. Leadville _____
T. Menefee _____	T. Madison _____
T. Point Lookout _____	T. Elbert _____
T. Mancos _____	T. McCracken _____
T. Gallup _____	T. Ignacio Oztze _____
Base Greenhorn _____	T. Granite _____
T. Dakota _____	T. _____
T. Morrison _____	T. _____
T. Todilto _____	T. _____
T. Entrada _____	T. _____
T. Wingate _____	T. _____
T. Chinle _____	T. _____
T. Permian _____	T. _____
T. Penn "A" _____	T. _____

### OIL OR GAS SANDS OR ZONES

No. 1, from.....5242.....to...5313.....	No. 3, from.....to.....
No. 2, from.....6822.....to...6918.....	No. 4, from.....to.....

### IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....	feet.....
No. 2, from.....to.....	feet.....
No. 3, from.....to.....	feet.....

### LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
0	1337	1337	Red Beds				
1337	2624	1287	Anhydrite, Salt				
2624	3521	897	Anhyrite, Dol				
3521	3679	158	Dol, Ss, Sh				
3679	5238	1559	Dol				
5238	5339	101	Dol, Ss, Sh				
5339	5687	348	Dol				
5687	5736	49	Dol, Sh				
5736	6336	600	Dol				
6336	6523	187	Dol, Ss, Sh				
6523	6947	424	Dol				
6947	7050	103	Ls, Sh, Dol				

**DISTRICT I**  
P. O. Box 1980  
Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals, and Natural Resources Department

Form C-102  
Revised 02-10-94

Instructions on back

**DISTRICT II**  
P. O. Drawer DD  
Artesia, NM 88211-0719

**OIL CONSERVATION DIVISION**  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

**DISTRICT III**  
1000 Rio Brazos Rd.  
Aztec, NM 87410

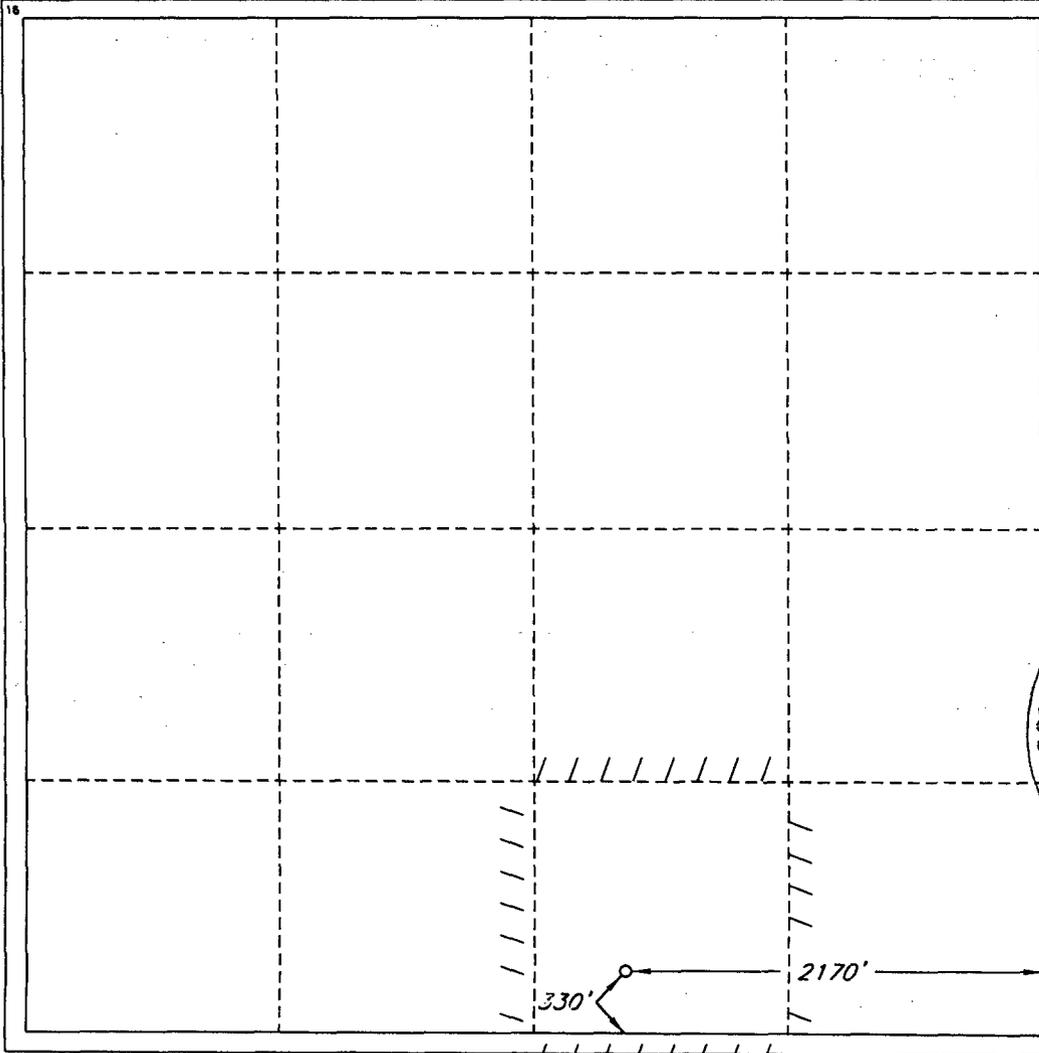
AMENDED REPORT

**DISTRICT IV**  
P. O. Box 2088  
Santa Fe, NM 87507-2088

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

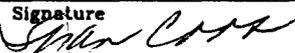
<sup>1</sup> API Number 30-025-35711		<sup>2</sup> Pool Code 97203		<sup>3</sup> Pool Name Wildcat Glorieta					
<sup>4</sup> Property Code 28840		<sup>5</sup> Property Name WILLIAMS '34'						<sup>6</sup> Well Number 3	
<sup>7</sup> OGRID No. 14245		<sup>8</sup> Operator Name MATADOR PETROLEUM CORPORATION						<sup>9</sup> Elevation 3582'	
<sup>10</sup> SURFACE LOCATION									
UL or lot no. 0	Section 34	Township 19 SOUTH	Range 37 EAST, N.M.P.M.	Lot Ida	Feet from the 330'	North/South line SOUTH	Feet from the 2170'	East/West line EAST	County LEA
<sup>11</sup> BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



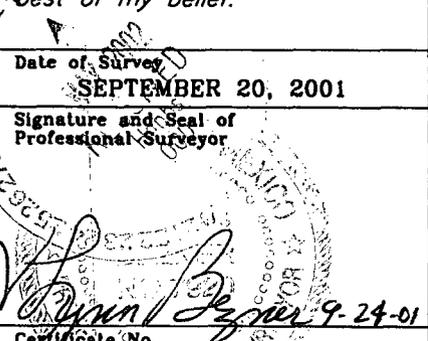
**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature  
  
Printed Name  
Sharon Cook  
Title  
Regulatory Analyst  
Date  
4/30/02

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey  
SEPTEMBER 20, 2001  
Signature and Seal of Professional Surveyor  
  
Certificate No.  
V. L. BEZNER R.P.S. #7920  
JOB #78578 / 70 SW / V.H.B.

DISTRICT I  
 P. O. Box 1980  
 Hobbs, NM 88241-1980

State of New Mexico  
 Energy, Minerals, and Natural Resources Department

Form C-122  
 Revised 02-10-94

Instructions on back

DISTRICT II  
 P. O. Drawer DD  
 Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P. O. Box 2088  
 Santa Fe, New Mexico 87504-2088

Submit to the Appropriate  
 District Office  
 State Lease - 4 copies  
 Fee Lease - 3 copies

DISTRICT III  
 1000 Rio Brazos Rd.  
 Aztec, NM 87410

DISTRICT IV  
 P. O. Box 2088  
 Santa Fe, NM 87507-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

R-10972

1 API Number 30-02.5-35711		2 Pool Code 96758		3 Pool Name NW Skaggs (Drinkard)			
4 Property Code 28840		5 Property Name WILLIAMS '34'				6 Well Number 3	
7 OGRD No. 14245		8 Operator Name MATADOR OPERATING COMPANY				9 Elevation 3582'	

10 SURFACE LOCATION

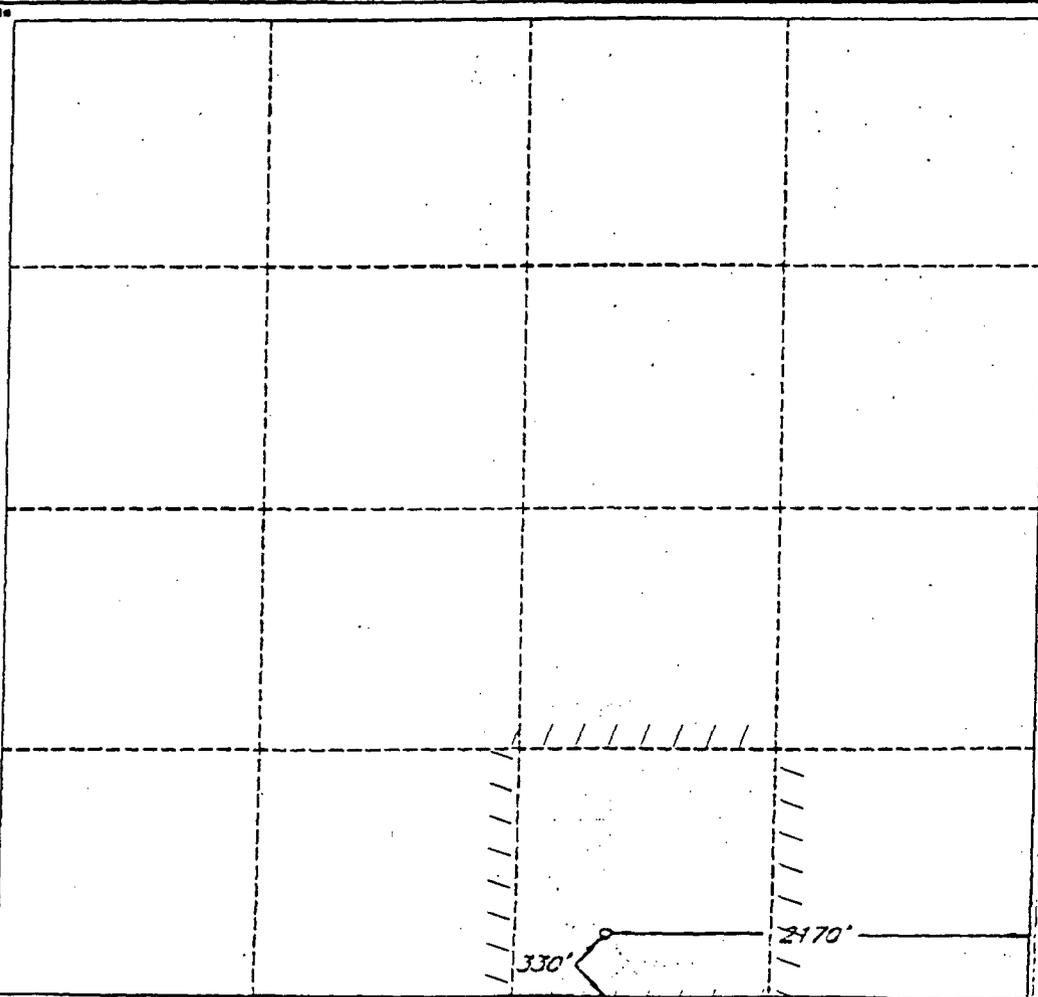
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
0	34	19 SOUTH	37 EAST, N.M.P.M.		330'	SOUTH	2170'	EAST	LEA

11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *[Signature]*

Printed Name: Jim Kramer

Title: Sr. Drilling Engineer

Date: 9/21/01

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: SEPTEMBER 20, 2001

Signature and Seal of Professional Surveyor

*[Signature]*

STATE OF NEW MEXICO

LYNN BEZNER

Professional No. 1202

REG. P.S. #7920

JOB# 7119-A / SW / J.C.P.

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
811 South First Street, Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87504

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised May 15, 2000

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87504

APPLICATION TYPE  
 Single Well  
 Establish Pre-Approved Pools  
EXISTING WELLBORE  
 Yes  No

APPLICATION FOR DOWNHOLE COMMINGLING

Matador Operating Company 8340 Meadow Road #150 Dallas, TX 75231  
Operator Address

Williams "34" 3 Unit O, Sec. 34, T19S, R37E Lea  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 014245 Property Code 28840 API No. 30-025-35711 Lease Type: Federal State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wildcat; Glorieta		NW Skaggs; Drinkard
Pool Code	97203		96768
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5242-5313 Perforated		6836-6918 Perforated
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	NA		NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	40.4		37.2
Producing, Shut-In or New Zone	Producing		Shut In (CIBP @ 6786')
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 12/31/01 Rates: 33 BO, 0 MCF	Date: Rates:	Date: 12/15/01 Rates: 11 BO, 119 MCF
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 75 % Gas 0 %	Oil % Gas %	Oil 25 % Gas 100 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Are all produced fluids from all commingled zones compatible with each other?

Will commingling decrease the value of production?

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes  NA  No

NMOC Reference Case No. applicable to this well: \_\_\_\_\_

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.) New Well
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases. NA
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Sharon Cook TITLE Regulatory Analyst DATE 4/30/02

TYPE OR PRINT NAME Sharon Cook TELEPHONE NO. ( 214 ) 987-7174

