

12/4/06 DATE IN	SUSPENSE	BROOKS ENGINEER	12/4/06 LOGGED IN	NSL TYPE	APP NO. pTDS0633852472
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



*Fairway Resources
Midnight Matador #7
5522*

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name	Signature	Title	Date
e-mail Address			



538 Silicon Drive, Suite 101
Southlake, Texas 76092
(817) 416-1946 (817) 416-1949 fax

December 1, 2006

Federal Express

Mr. David Brooks
State of New Mexico
Energy, Minerals & Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Midnight Matador #7
1,470' FNL and 850' FEL Section 35-T17S-R27E
Eddy County, New Mexico
Red Lake, Queen-Grayburg, San Andres
Federal Lease No. LC-050158

Dear Mr. Brooks:

We are preparing to spud the Midnight Matador #7. The problem we have encountered is we are too close to the northern spacing unit line. Both spacing units are in the same Federal lease and all of the royalty, overriding royalty and other interests are common. Fairway owns 100% of the working interest in this lease. Therefore, no parties are negatively affected. I am enclosing the following:

- Fairway Resources Operating, LLC Lease Plat
- Fairway Producing Formations per Lease Plat
- Copy of the Well Location and Acreage Dedication Plat

We are requesting that you approve this location for the further development of resources of the Red Lake, Queen-Grayburg San Andres. If you have any further questions, please do not hesitate to call me at 817/416-1946.

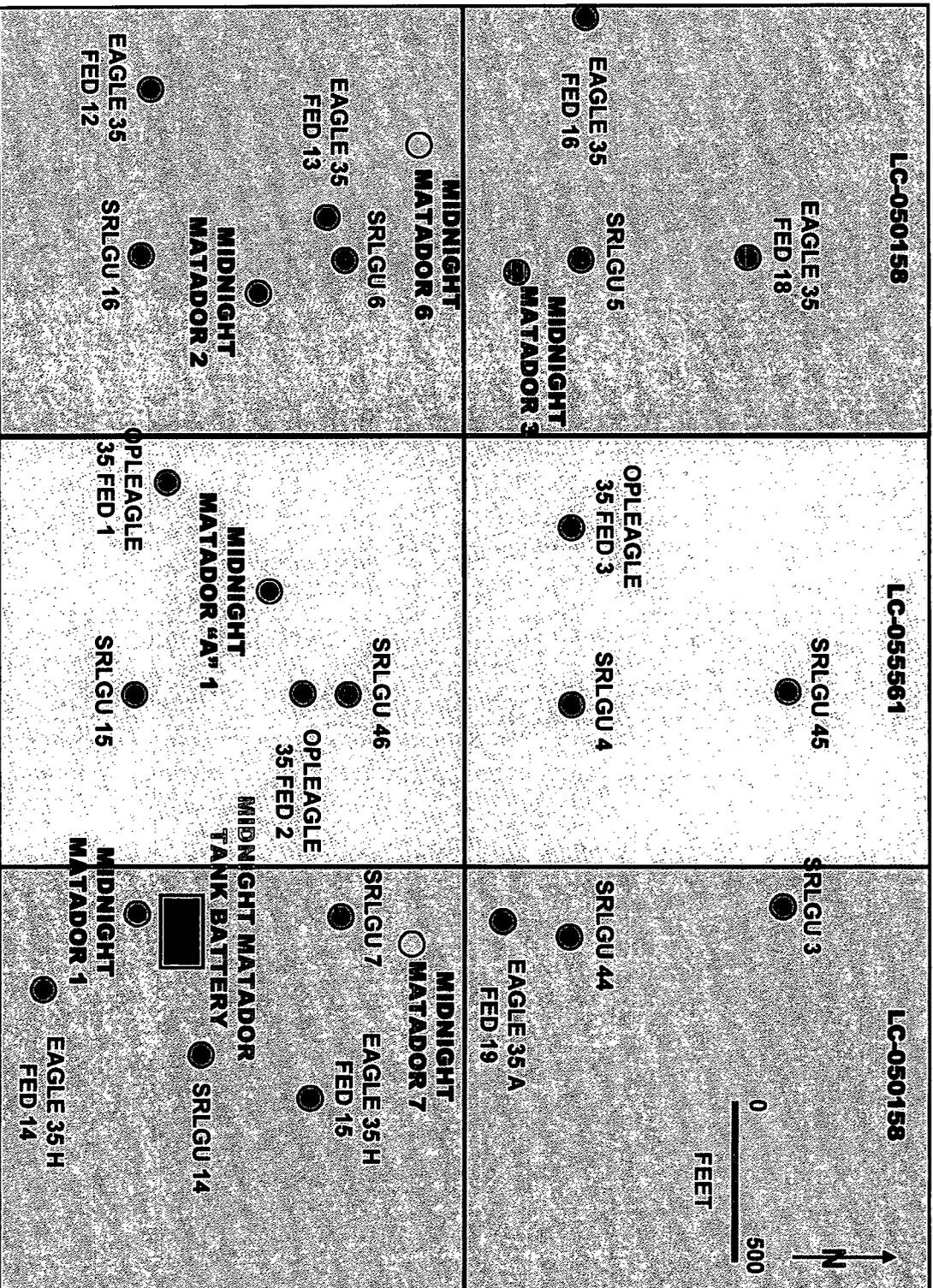
Sincerely yours,

A handwritten signature in black ink, appearing to read "Matt Eagleston".

Matt Eagleston
President and CEO



FAIRWAY RESOURCES OPERATING, LLC LEASE PLAT



Located in Sec. 35 17S 27E

Fairway Resources Operating, LLC Producing Formations Per Lease Plat



Well **Producing Formation**

Eagle 35 A Fed 19	Yeso
Eagle 35 Fed 12	Yeso
Eagle 35 Fed 13	Yeso
Eagle 35 Fed 16	Yeso
Eagle 35 Fed 18	Yeso
Eagle 35 H Fed 14	Yeso
Eagle 35 H Fed 15	Yeso
Midnight Matador "A" 1	San Andres
Midnight Matador 1	San Andres
Midnight Matador 2	San Andres
Midnight Matador 3	San Andres
Midnight Matador 6	San Andres
Midnight Matador 7	San Andres
OPL Eagle 35 Fed 1	Yeso
OPL Eagle 35 Fed 2	Yeso
OPL Eagle 35 Fed 3	Yeso
SRLGU 14	Grayburg
SRLGU 15	Grayburg
SRLGU 16	Grayburg
SRLGU 3	Grayburg
SRLGU 4	Grayburg
SRLGU 44	Grayburg
SRLGU 45	Grayburg
SRLGU 46	Grayburg
SRLGU 5	Grayburg
SRLGU 6	Grayburg
SRLGU 7	Grayburg

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	513000	RED LAKE-QUEEN, GRAYBURG, SAM ANDRES
Property Code	Property Name	Well Number
	MIDNIGHT MATADOR	7
OGRID No.	Operator Name	Elevation
041508	FAIRWAY RESOURCES OPERATING, L.L.C.	3588'

Surface Location

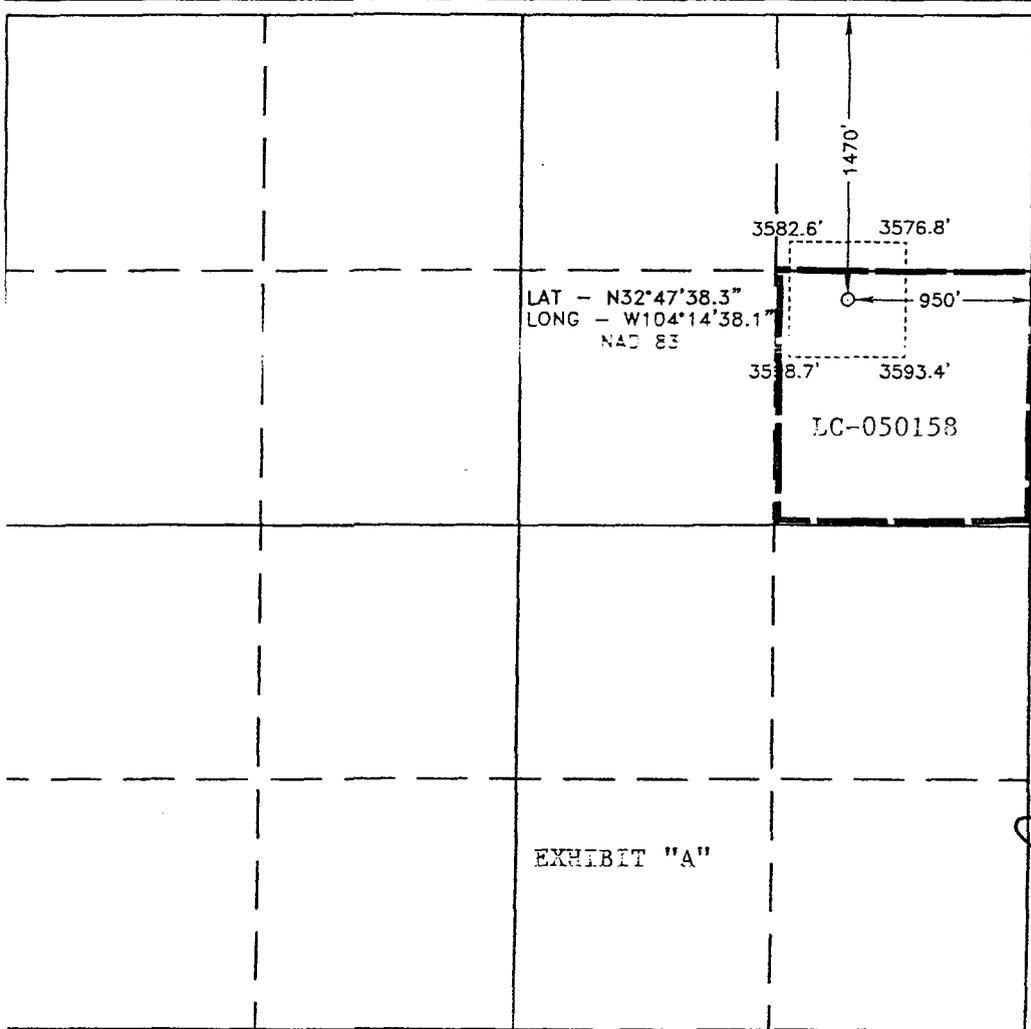
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	35	17 S	27 E		1470	NORTH	950	EAST	EDDY

Bottom Hole Location If Different From Surface

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL 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 the the information contained herein is true and complete to the best of my knowledge and belief.

Joe T. Janice
Signature

Joe T. Janice
Printed Name

Agent

Title

11/03/06
Date

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.

AUGUST 28, 2006
Date Surveyed

JONES
Signature & Seal of Professional Surveyor

REGISTERED PROFESSIONAL SURVEYOR
W.D. No. 12269

Certificate No. Jones 7977

BASIN SURVEYS

EXHIBIT "A"