State of New Mexico ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT Santa Fe, New Mexico 87505



January 4, 1995

Matador Petroleum Corporation 415 West Wall, Suite 1101 Midland, Texas 79701

Attention: Roger T. Elliott

Administrative Order NSL-3452

Dear Mr. Elliott:

Reference is made to your application dated December 27, 1994 for a non-standard Cisco gas well location for the Singer State "19" Well No. 1 to be drilled 990 feet from the North line and 660 feet from the West line (Lot 1/Unit D) of Section 19, Township 20 South, Range 27 East, NMPM, Eddy County, New Mexico.

It is our understanding that the Cisco interval is the primary objective for this well and that the shallower Undesignated McMillan-Wolfcamp Gas Pool is a secondary objective. Further, geologic interpretation places this proposed unorthodox gas well location at a more favorable location within the Cisco formation than a well drilled at a location considered to be standard.

Lots 1 through 4 and the E/2 W/2 (equivalent W/2) of said Section 19 shall be dedicated to the well forming a standard 319.80-acre gas spacing and proration unit for both the Wolfcamp and Cisco formations.

VILLAGRA BUILDING - 408 Galisteo Forestry and Resources Conservation Division P.O. Box 1948 87504-1948 827-5830 Park and Recreation Division P.O. Box 1147 87504-1147 827-7465 2040 South Pacheco Office of the Secretary 827-5950 Administrative Services 827-5925 Energy Conservation & Management 827-5900 Mining and Minerals 827-5970 Oil Conservation 827-7131 Administrave Order NSL-3452 Matador Petroleum Corporation January 4, 1995 Page 2

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By the authority granted me under the provisions of General Rules 104.F(1) and (2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

Michael E. Stogner Acting Director

MES/kv

cc: Oil Conservation Division - Artesia New Mexico State Land Office - Santa Fe File: Case 11175