



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

June 2, 1999

Matador Petroleum Corporation  
8340 Meadow Road  
Suite 158 – Pecan Creek  
Dallas, Texas 75231-1415  
Attention: John W. Bell

*Administrative Order NSL-4298(NSP)*

Dear Mr. Bell:

Reference is made to the following: (i) your application dated September 25, 1998; (ii) your telephone conversation with Mr. Michael E. Stogner, Engineer with the New Mexico Oil Conservation Division ("Division") in Santa Fe, on or around September 30, 1998; and (iii) the Division's records in Santa Fe and Artesia: all concerning Matador Petroleum Corporation's ("Matador") request for a 29.63-acre non-standard oil spacing and proration unit consisting of the following acreage in the Undesignated East Avalon-Bone Spring Pool:

EDDY COUNTY, NEW MEXICO  
TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM  
Irregular Section 4: Lot 3.

This unit is to be dedicated to Matador's existing Exxon Federal "4" Well No. 1 (API No. 30-015-30449), located at an unorthodox oil well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 4, which is only 314 feet from this 29.63-acre unit's southern boundary.

This application has been duly filed under the provisions of Division Rules 104.F and 104.D (2).

By the authority granted me under the provisions of Division Rules 104.F(2) and 104.D(2)(b), the above-described 29.63-acre non-standard oil spacing and proration unit and unorthodox oil well location are hereby approved.

Sincerely,

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad