SIGN AND RETURN THIS COPY

# POOLING AGREEMENT

STATE OF NEW MEXICO )
)
COUNTY OF LEA )

WHEREAS, the undersigned is the owner of either a working interest, overriding royalty interest, royalty interest or other interest in the oil and gas produced and saved from the lands described below;

WHEREAS, the undersigned desire to pool and combine such interest in the oil and gas leases described below with the interests of other owners who shall be parties to this agreement by executing a counterpart hereto or by executing an instrument ratifying this Pooling Agreement, to create a pooled unit consisting of the 80 acres of land described below, as to the rights and depths described below.

NOW, THEREFORE, for a valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned does hereby pool and combine the E/2 SE/4 of Section 5, T-20-S, R-37-E, N.M.P.M., Lea County, New Mexico, as to all formations lying below 3900 feet for which the New Mexico Oil Conservation Division requires 80 acres for a standard proration unit (the "Pooled Unit") for the production of oil and gas produced with oil (the "Pooled Substances").

The Pooled Unit is comprised of the following-described tracts of land which are covered by the following-described oil and gas leases:

(1) Dated July 12, 1928, recorded in Book 15, page 505 of the Oil and Gas Records of Lea County, New Mexico, from Martha E. Laughlin, a widow, et al, as Lessors, to M. W. Coll, as Lessee, insofar as it covers the NE/4 SE/4 of said Section 5, containing 40 acres; and

(2) Dated August 20, 1927, recorded in Book 8, page 174 of the Oil and Gas Records of Lea County, New Mexico, from David L. Laughlin and Martha E. Laughlin, husband and wife, as Lessors, to M. W. Coll, as Lessee, insofar as it covers the SE/4 SE/4 of said Section 5, containing 40 acres.

The parties hereto agree that the Pooled Unit created hereby shall be valid and effective for all purposes, even though there may be working interest owners, overriding royalty interest owners, royalty interest owners or other owners of interests in the Pooled Substances produced from the Pooled Unit which are not effectively pooled hereby.

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12877 Exhibit No. 7
Submitted By:
Matador Petroleum Corp.
Hearing Date: June 27,2002

Said Pooled Unit shall be operated as an entirety for the exploration, development and production of Pooled Substances rather than as separate tracts. All drilling, reworking, or other operations with respect to Pooled Substances underlying or produced from the Pooled Unit shall be considered as though such operations were conducted on each separate tract in the Pooled Unit, regardless of the actual location of the well or wells thereon. Pooled Substances produced from the Pooled Unit shall be deemed to have been produced from each such separate tract. There shall be allocated to each separate tract of land in the Pooled Unit that pro rata portion of the Pooled Substances produced from the Pooled Unit which the number of surface acres contained in each such separate tract bears to the total number of surface acres included in said Pooled Unit.

This Pooling Agreement may be executed in any number of counterparts and shall be binding upon any party which executes same, regardless of whether it is executed by all parties owning an interest in the Pooled Substances produced from the Pooled Unit. All of such counterparts may be assembled into one instrument.

EXECUTED this 22nd day of April, 2002, but effective as of the date of first production of Pooled Substances from the Pooled Unit.

**Bobby Lee Laughlin**

By: Bobby Lee Laughlin
Printed Name: Bobby Lee Laughlin
Title: owner

**STATE OF** Texas )
)
**COUNTY OF** Bell )

This instrument was acknowledged before me this 22nd day of April, 2002, by Bobby Lee Laughlin.

Notary Public, State of

My Commission Expires:
7/28/03