

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary Designate

**Todd E. Leahy, JD, PhD**  
Deputy Cabinet Secretary

**Gabriel Wade, Acting Director**  
Oil Conservation Division



January 30, 2019

Mr. Kyle Perkins  
[kperkins@matadorresources.com](mailto:kperkins@matadorresources.com)

NON-STANDARD LOCATION

**Administrative Order NSL-7817**

**Matador Production Company [OGRID 228937]**  
**Northeast Kemnitz 22 State Well No. 012**  
**API No. 30-025-45449**

**Proposed Location; Deviated Well**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	155 FSL & 2339 FEL	O	22	16S	34E	Lea
Terminus	660 FSL & 2310 FWL	N	22	16S	34E	Lea

**Proposed Gas Units**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S2 of Section 22	320	Kemintz; Morrow (Gas)	79440

Reference is made to your application received on January 9, 2019.

You have requested to drill this directional well at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by Division Rule 19.15.15.10.B (1) NMAC, which provides for 320-acre units, with wells to be located at least 660 feet from outer boundary of the quarter section on which the well is located.

This well's completed interval is as close as 330 feet to the eastern edge of the spacing unit. Encroachments will impact the following tract.

Section 22, encroachment to the SE4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches. However, the applicant is the operator within the encroaching area. Notice was not required but was given and the Agency honored the notice.

The Division understands you request this unorthodox approval due to misinterpretation of the set back requirements needed within your prospective spacing unit to recover oil and gas reserves underlying the spacing unit within the S2 of Section 22.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



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**Gabriel Wade**  
**Acting Director**

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cc: Oil Conservation Division – Hobbs District Office  
State Land Office – Oil, Gas, and Minerals Division