

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



August 15, 2016

Matador Production Company
Attn: Ms. Zoe E. Lees

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7446

Matador Production Company
OGRID 228937
DR. Scrivner Federal 01 24S 28E RB Well No. 204H
API No. 30-015-43821

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	691' FSL & 661' FEL	P	1	24S	28E	Eddy
Penetration Point	990' FSL & 330' FEL	P	1	24S	28E	Eddy
Final perforation	990' FSL & 330' FWL	M	1	24S	28E	Eddy
Terminus	990' FSL & 240' FWL	M	1	24S	28E	Eddy

Proposed Gas Spacing Unit:

<u>Description</u>	<u>Acres</u>	<u>Formation (Product)</u>	<u>Pool Code</u>
S/2 of Section 1	320	Pierce Crossing; Wolfcamp NW (Gas)	96712

Reference is made to your application received on July 14, 2016.

You have requested to drill this horizontal 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 NMAC, which provides for 320-acre units, with wells located at least 660 feet from a unit outer boundary. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed gas spacing unit than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

It is our understanding that Matador is seeking this location to efficiently produce its interest in Section 1.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved in order to prevent waste and protect correlative rights.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.



DAVID R. CATANACH
Director

DRC/lrl

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Field Office