

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



December 1, 2016

Matador Production Company  
Attn: Ms. Zoe E. Lees

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7489

**Matador Production Company**  
OGRID 228937  
**Jimmy Kone 05 24S 28E RB Well No. 226H**  
**API No. 30-015-43958**

**Proposed Location:**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2502` FSL & 190` FEL	I	5	24S	28E	Eddy
Penetration Point	2303` FNL & 330` FEL	H	5	24S	28E	Eddy
Final perforation	2315` FNL & 330` FWL	E	5	24S	28E	Eddy
Terminus	2316` FNL & 240` FWL	E	5	24S	28E	Eddy

**Proposed Gas Spacing Unit:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 of Section 5	320.22	Culebra Bluff; Wolfcamp, South (Gas)	75750

Reference is made to your application received on November 7, 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 surface location is outside the gas spacing unit, and is permitted by Rule 19.15.16.15.B (4) NMAC which allows for surface locations outside gas spacing unit. 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 oil and gas reserves in Section 5.

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 (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