

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



January 10, 2017

Matador Production Company
Attn: Ms. Jennifer Bradfute

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7496

Matador Production Company
OGRID 228937
Guitar 10 24 28 RB No. 205H
API No. 30-015-43993

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	934' FNL & 134' FWL	D	11	24S	28E	Eddy
Penetration Point	991' FNL & 330' FEL	A	10	24S	28E	Eddy
Final perforation	991' FNL & 330' FWL	D	10	24S	28E	Eddy
Terminus	990' FNL & 240' FWL	D	10	24S	28E	Eddy

Proposed Gas Spacing Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 of Section 10	320	Culebra Bluff; Wolfcamp, South (Gas)	75750

Reference is made to your application received on December 6, 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.

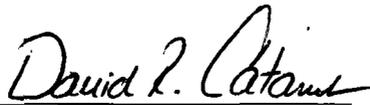
It is our understanding that Matador is seeking this location to efficiently produce oil and gas reserves in Section 10.

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