

MATADOR PETROLEUM CORPORATION

415 W. WALL, SUITE 1101
MIDLAND, TX 79701
(915) 687-5955

RECORDS & COMMUNICATIONS DIVISION
RECEIVED

December 9, 1994

94 DEC 13 PM 8 52

Mr. Michael Stogner
NMOCD
P. O. Box 2088
Santa Fe, NM 87504-2088

990' FNL - 660' FWL

Re: Singer State 19 No. 1 Well
Unorthodox Location
W/2 of Section 19, T20S, R27E
Eddy County, New Mexico

Dear Mike:

I received Collins & Ware, Inc. (Collins) and Louis Dreyfus Natural Gas (Dreyfus) waiver letters relative to the captioned well.

I wasn't sure if they sent you an executed copy of the letters, therefore, I enclose for your files waiver letters from Collins & Dreyfus.

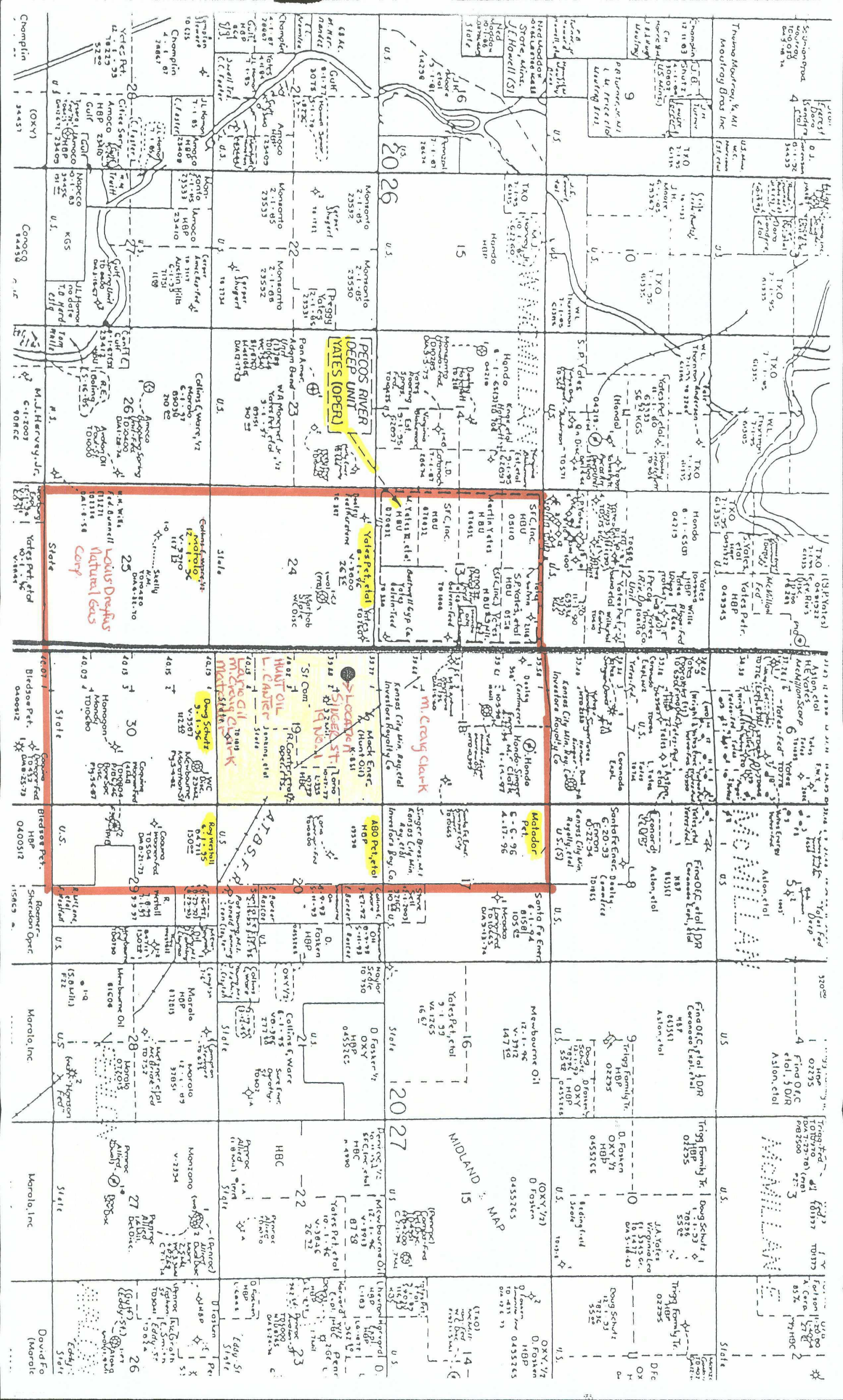
Also, please find our land plat with the surrounding operators/leasehold owners marked in yellow. We have notified all the parties and hopefully they will cooperate and grant us our waiver.

I will call you next week for an update on the parties who you have waiver letters from.

Thank you,

Roger T. Elliott
Roger T. Elliott
Landman

Enclosures
RTE/pl



✓ Abo Petroleum (1)
✓ Yates Petroleum Corporation
Attn: Mr. Randy Patterson
105 South Fourth Street
Artesia, New Mexico 88210

✓ Collins & Ware (2)
Attn: Mr. Albert G. Metcalfe
508 W. Wall, Suite 1200
Midland, TX 79701

✓ Maralo, Inc. (3)
Attn: Mr. Mark C. Wheeler
P. O. Box 832
Midland, TX 79702

✓ Hunt Oil Company (4)
Fountain Place
1445 Ross at Field
Dallas, TX 75202-2785

✓ Ms. Lora Canter (5)
7836 Stonehenge Dr.
Chattanooga, TN 37421

✓ (11)
Louis Dreyfus Natural Gas Corp.

✓ Mr. Doug Schutz (6)
P. O. Box 973
Santa Fe, NM 87504

✓ Ray Westall (7)
P. O. Box 4
Loco Hills, NM 88255

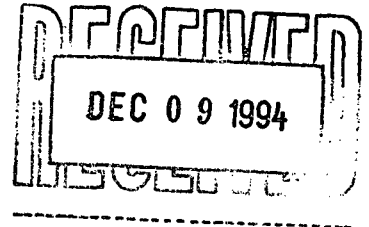
✓ Matador Petroleum Corporation (8)
Attn: Mr. Roger T. Elliott
415 W. Wall, Ste 1101
Midland, TX 79701

✓ Mr. M. Craig Clark (9)
310 W. Texas Ave., Ste 822
Midland, TX 79701

✓ Lario Oil & Gas Company (10)
Attn: Mr. Stanley H. Fox
P. O. Box 155
Midland, TX 79701

(2)
MATADOR PETROLEUM CORPORATION

415 W. WALL, SUITE 1101
MIDLAND, TX 79701
(915) 687-5955



November 30, 1994

RETURN RECEIPT REQUESTED

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox Location
Drilling Permit
W/2 of Section 19, T20S, R27E
Eddy County, New Mexico
(See attached addressee list)

Dear Mr. Stogner:

COLLINS & WARE, INC., as an offset owner of operating/leasehold rights, has been advised of Matador Petroleum Corporation's intent to drill at a location 990' FNL and 660' FWL of Section 19, T20S-R27E, Eddy County, New Mexico.

This letter is to advise that COLLINS & WARE, INC. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Matador Petroleum Corporation

By: [Signature]

Title: Land Manager

NAME: COLLINS & WARE, INC.
By: [Signature]
Date: 12/8/94

②
MATADOR PETROLEUM CORPORATION

415 W. WALL, SUITE 1101
MIDLAND, TX 79701
(915) 687-5955

OIL CONSERVATION DIVISION
RECEIVED

94 DEC 13 AM 8 52

November 30, 1994

RETURN RECEIPT REQUESTED

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

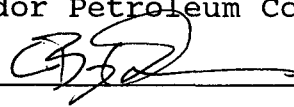
Re: Application for Unorthodox Location
Drilling Permit
W/2 of Section 19, T20S, R27E
Eddy County, New Mexico
(See attached addressee list)

Dear Mr. Stogner:

COLLINS & WARE, INC., as an offset owner of operating/leasehold rights, has been advised of Matador Petroleum Corporation's intent to drill at a location 990' FNL and 660' FWL of Section 19, T20S-R27E, Eddy County, New Mexico.

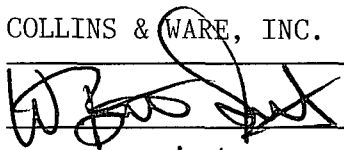
This letter is to advise that COLLINS & WARE, INC. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Matador Petroleum Corporation

By: 

Title: Land Manager

NAME: COLLINS & WARE, INC.

By: 

Date: 12/8/94



December 6, 1994

Collins & Ware, Inc.
508 W. Wall, Suite 1200
Midland, TX 79701

Attn: Mr. Brett Smith

RE: Matador Petroleum Corporation
Request of Waiver of Unorthodox Gas Well Location
NW/4 NW/4 Section 19-20S-27E
Eddy County, New Mexico

Dear Mr. Smith:

Enclosed is a copy of letter from Matador requesting Waiver of their Unorthodox Well Location, together with a Waiver Letter to be executed by Collins & Ware, Inc.

This letter is to advise you that Louis Dreyfus Natural Gas Corp. has no objection to Matadors location, as depicted on the attached plat. Therefore, we request that you execute their waiver letter and return same as soon as possible. If you do not agree with this wavier, please advise.

Sincerely Yours,

LOUIS DREYFUS NATURAL GAS CORP.

A handwritten signature in cursive script that reads 'Carol Myers'.

Carol Myers
District Landman

Encl.

cc: Greg Cwayna
Jim Welch

(3)

MATADOR PETROLEUM CORPORATION

415 W. WALL, SUITE 1101
MIDLAND, TX 79701
(915) 687-5955

OIL CONSERVATION DIVISION
RECEIVED

94 DEC 13 AM 8 52

November 30, 1994

RETURN RECEIPT REQUESTED

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox Location
Drilling Permit
W/2 of Section 19, T20S, R27E
Eddy County, New Mexico
(See attached addressee list)

Dear Mr. Stogner:

MARALO INC., as an offset owner of operating/leasehold rights, has been advised of Matador Petroleum Corporation's intent to drill at a location 990' FNL and 660' FWL of Section 19, T20S-R27E, Eddy County, New Mexico.

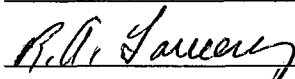
This letter is to advise that MARALO INC. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Matador Petroleum Corporation

By: 

Title: Land Manager

NAME: MARALO INC.

By: 

Date: R. A. Lowery, Production Manager
12-9-94

5
MATADOR PETROLEUM CORPORATION

415 W. WALL, SUITE 1101
MIDLAND, TX 79701
(915) 687-5955

November 30, 1994

RETURN RECEIPT REQUESTED

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

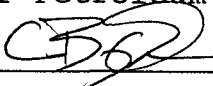
Re: Application for Unorthodox Location
Drilling Permit
W/2 of Section 19, T20S, R27E
Eddy County, New Mexico
(See attached addressee list)

Dear Mr. Stogner:

Lario Oil & Gas Company, as an offset owner of operating/leasehold rights, has been advised of Matador Petroleum Corporation's intent to drill at a location 990' FNL and 660' FWL of Section 19, T20S-R27E, Eddy County, New Mexico.

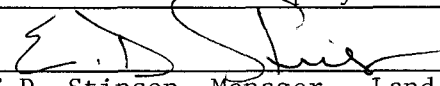
This letter is to advise that Lario Oil & Gas Company has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Matador Petroleum Corporation

By: 

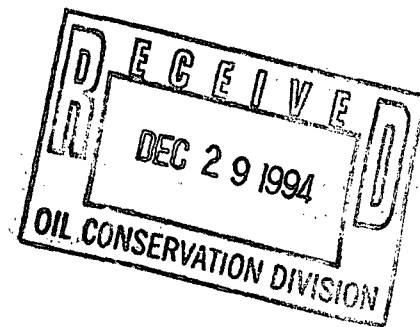
Title: Land Manager

NAME: Lario Oil & Gas Company

By: 

E.D. Stinson, Manager - Land & Legal

Date: December 22, 1994



MATADOR PETROLEUM CORPORATION

415 W. WALL, SUITE 1101

MIDLAND, TEXAS 79701

(915) 687-5955

FAX TRANSMISSIONDATE: 12-27-94FAX #: (805) 827-8177TO: Mike StognerFROM: Roger T. Elliott

COMMENTS:

Please find Hunt Oil
Company's executed waiver
letter for our Singu ~~not~~ State
19 no. 1 well. That should do it!
I will Fed-Ex the Application
Thursday! Thanks Roger

NUMBER OF PAGES INCLUDING COVER SHEET 2

MATADOR PETROLEUM CORPORATION FAX NUMBERS

DALLAS (214) 691-1415

MIDLAND (915) 687-4809

MATADOR PETROLEUM CORPORATION

415 W. WALL, SUITE 1101
MIDLAND, TX 79701
(915) 687-5955

November 30, 1994

RETURN RECEIPT REQUESTED

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

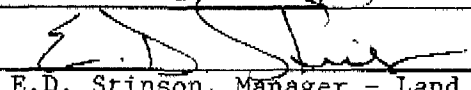
Re: Application for Unorthodox Location
Drilling Permit
W/2 of Section 19, T20S, R27E
Eddy County, New Mexico
(See attached addressee list)

Dear Mr. Stogner:

Lario Oil & Gas Company, as an offset owner of operating/leasehold rights, has been advised of Matador Petroleum Corporation's intent to drill at a location 990' FNL and 660' FWL of Section 19, T20S-R27E, Eddy County, New Mexico.

This letter is to advise that Lario Oil & Gas Company has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Matador Petroleum Corporation

By: Title: Land ManagerNAME: Lario Oil & Gas CompanyBy: 

E.D. Stinson, Manager - Land & Legal

Date: December 22, 1994

10
MATADOR PETROLEUM CORPORATION414 W. WALL, SUITE 1101
MIDLAND, TX 79701
(915) 687-5955

November 30, 1994

RETURN RECEIPT REQUESTED

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

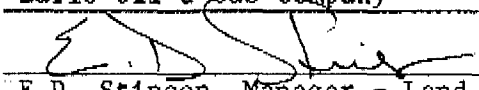
Re: Application for Unorthodox Location
Drilling Permit
W/2 of Section 19, T20S, R27E
Eddy County, New Mexico
(See attached addressee list)

Dear Mr. Stogner:

Lario Oil & Gas Company, as an offset owner of operating/leasehold rights, has been advised of Matador Petroleum Corporation's intent to drill at a location 990' FNL and 660' FWL of Section 19, T20S R27E, Eddy County, New Mexico.

This letter is to advise that Lario Oil & Gas Company has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing in this application.

Matador Petroleum Corporation

By: Title: Land ManagerNAME: Lario Oil & Gas CompanyBy: 

E.D. Stinson, Manager - Land & Legal

Date: December 22, 1994

(6)
MATADOR PETROLEUM CORPORATION

415 W. WALL, SUITE 1101
MIDLAND, TX 79701
(915) 687-5955

OIL CONSERVATION DIVISION
RECEIVED

1994 DEC 22 AM 8 52

November 30, 1994

RETURN RECEIPT REQUESTED

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox Location
Drilling Permit
W/2 of Section 19, T20S, R27E
Eddy County, New Mexico
(See attached addressee list)

Dear Mr. Stogner:

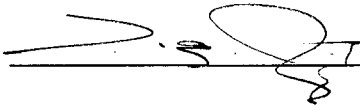
Doug J. Schutz, as an offset owner of operating/leasehold rights, has been advised of Matador Petroleum Corporation's intent to drill at a location 990' FNL and 660' FWL of Section 19, T20S-R27E, Eddy County, New Mexico.

This letter is to advise that Doug J. Schutz has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Matador Petroleum Corporation

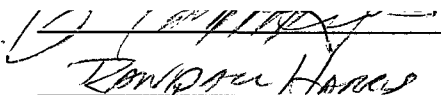
By: 

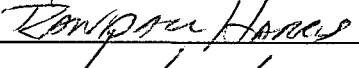
Title: Land Manager

NAME: 

By: _____

Date: 12-20-94

NAME: 

By: 

Date: 12/10/94

(8)
OIL CONSERVATION DIVISION
RECEIVED

MATADOR PETROLEUM CORPORATION

415 W. WALL, SUITE 1101
MIDLAND, TX 79701
(915) 687-5955

94 DE 7 AM 8 52

Application was
set for ~~8~~ Jan. 5,
1995 hearing.

November 30, 1994

RETURN RECEIPT REQUESTED

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox Location
Drilling Permit
W/2 of Section 19, T20S, R27E
Eddy County, New Mexico
(See attached addressee list)

Dear Mr. Stogner:

MATADOR PETROLEUM CORPORATION, as an offset owner of operating/leasehold rights, has been advised of Matador Petroleum Corporation's intent to drill at a location 990' FNL and 660' FWL of Section 19, T20S-R27E, Eddy County, New Mexico.

This letter is to advise that MATADOR PETROLEUM CORPORATION has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Matador Petroleum Corporation

By: CFB

Title: Land Manager

NAME: MATADOR PETROLEUM CORPORATION

By: Logan T. Elliott

Date: 12-5-94

(9)

M. CRAIG CLARK

Certified Professional Landman, ESA

310 W. TEXAS AVE • SUITE 822 • MIDLAND, TX 79701 • (915) 684-3811

December 26, 1994

Mr. Michael Stogner
New Mexico Oil Conservation
Division
P.O. Box 2088
Santa Fe, New Mexico 87501

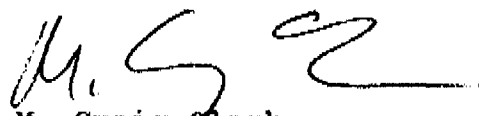
Re: Application for Unorthodox
Location Drilling Permit
W/2 Section 19
T-20-S, R-27-E
Eddy County, New Mexico

Dear Mr. Stogner:

This letter is to advise you that as an offset owner of leasehold rights, I have been advised of Matador Petroleum Corporation's intent to drill at a location of 990' FNL and 660' FWL of Section 19, T-20-S, R-27-E, Eddy County, New Mexico.

Please be advised that I have no objection to the granting of a permit to drill at this location and hereby waive objection and notice of hearing on this application.

Very truly yours,


M. Craig Clark

MCC/s

cc: Mr. Roger Elliott
Matador Petroleum Corporation

OIL CONSERVATION DIVISION
RECEIVED

94 DE 12 AM 8 52

MATADOR PETROLEUM CORPORATION

415 W. WALL, SUITE 1101
MIDLAND, TX 79701
(915) 687-5955

8 10

November 30, 1994

RETURN RECEIPT REQUESTED

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox Location
Drilling Permit
W/2 of Section 19, T20S, R27E
Eddy County, New Mexico
(See attached addressee list)

Dear Mr. Stogner:

I, Lora Canter, as an offset owner of operating/leasehold rights, has been advised of Matador Petroleum Corporation's intent to drill at a location 990' FNL and 660' FWL of Section 19, T20S-R27E, Eddy County, New Mexico.

This letter is to advise that Lora Canter has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Matador Petroleum Corporation

By: CB

Title: Land Manager

NAME: Lora Canter

By: _____

Date: Dec 6, 1994

MATADOR PETROLEUM CORPORATION

415 W. WALL, SUITE 1101
MIDLAND, TX 79701
(915) 687-5955

November 30, 1994

RETURN RECEIPT REQUESTED

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

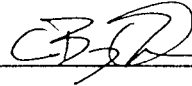
Re: Application for Unorthodox Location
Drilling Permit
W/2 of Section 19, T20S, R27E
Eddy County, New Mexico
(See attached addressee list)

Dear Mr. Stogner:

Yates Petroleum Corporation, as an offset owner of operating/leasehold rights, has been advised of Matador Petroleum Corporation's intent to drill at a location 990' FNL and 660' FWL of Section 19, T20S-R27E, Eddy County, New Mexico.

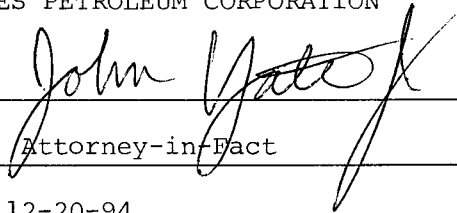
This letter is to advise that Yates Petroleum Corporation has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Matador Petroleum Corporation

By: 

Title: Land Manager

YATES PETROLEUM CORPORATION

NAME: 

By: Attorney-in-Fact

Date: 12-20-94



December 6, 1994

Collins & Ware, Inc.
508 W. Wall, Suite 1200
Midland, TX 79701

Attn: Mr. Brett Smith

RE: Matador Petroleum Corporation
Request of Waiver of Unorthodox Gas Well Location
NW/4 NW/4 Section 19-20S-27E
Eddy County, New Mexico

Dear Mr. Smith:

Enclosed is a copy of letter from Matador requesting Waiver of their Unorthodox Well Location, together with a Waiver Letter to be executed by Collins & Ware, Inc.

This letter is to advise you that Louis Dreyfus Natural Gas Corp. has no objection to Matadors location, as depicted on the attached plat. Therefore, we request that you execute their waiver letter and return same as soon as possible. If you do not agree with this wavier, please advise.

Sincerely Yours,

LOUIS DREYFUS NATURAL GAS CORP.

A handwritten signature in cursive script that reads "Carol Myers".

Carol Myers
District Landman

Encl.

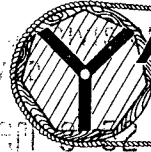
cc: Greg Cwayna
Jim Welch

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986

OIL CONSERVATION

RECEIVED

1994 DEC 23



**YATES
PETROLEUM
CORPORATION**

105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471



S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

December 21, 1994

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Michael Stogner

Re: Unorthodox Location
Township 20 South, Range 27 East
Section 19: W/2
Eddy County, New Mexico

Gentlemen:

Please find enclosed an executed copy of Yates Petroleum Corporation's Waiver Letter for the drilling of Matador Petroleum's unorthodox well location located in Section 19-T20S-R27E.

Very truly yours,

YATES PETROLEUM CORPORATION

Mecca Mauritsen
Landman

MM:dke
enclosure(s)

cc: Matador Petroleum Corporation

M. CRAIG CLARK

Certified Professional Landman, ESA

310 W. TEXAS AVE • SUITE 822 • MIDLAND, TX 79701 • (915) 684-3811

December 26, 1994

Mr. Michael Stogner
New Mexico Oil Conservation
Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
W/2 Section 19
T-20-S, R-27-E
Eddy County, New Mexico

Dear Mr. Stogner:

This letter is to advise you that as an offset owner of leasehold rights, I have been advised of Matador Petroleum Corporation's intent to drill at a location of 990' FNL and 660' FWL of Section 19, T-20-S, R-27-E, Eddy County, New Mexico.

Please be advised that I have no objection to the granting of a permit to drill at this location and hereby waive objection and notice of hearing on this application.

Very truly yours,


M. Craig Clark

MCC/s

cc: Mr. Roger Elliott
Matador Petroleum Corporation

79 DE 29 8 52

DEC 28 1994
OIL CONSERVATION DIVISION

MATADOR PETROLEUM CORPORATION

415 W. WALL, SUITE 1101
MIDLAND, TX 79701
(915) 687-5955

December 27, 1994

Mr. Mike Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

RE: Request for Administrative
Approval for Unorthodox Drillsite
W/2 of Section 19, T20S, R27E
Eddy County, New Mexico

Dear Mr. Stogner:

As we previously discussed, Matador Operating Company, a wholly-owned subsidiary of Matador Petroleum Corporation, as operator, plans to drill at a location 990' FNL and 660' FWL of Section 19, T20S, R27E, Eddy County, New Mexico, as a 8700-foot Cisco test.

Please find enclosed our application for the captioned and accompanying documentation and Applicant certifies that the information, to the best of its knowledge, is current and correct.

At the earliest possible date, please send us (FAX 915/687-4809) our written approval order, granting us our unorthodox drillsite location. We are scheduled to appear before the NMOCD regarding this matter on January 5, 1995. By receiving your approval of our unorthodox drillsite location prior to January 5, 1995, we avoid traveling to Santa Fe for the hearing.

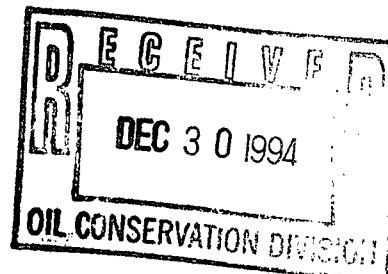
Thank you for your cooperation and prompt response to our request.

Sincerely,

Roger T. Elliott
Roger T. Elliott
Landman

*Check Wolfcamp trip
to base of Cisco*

RTE/ko



CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/04/95 10:11:05
OGOMES -EMFB
PAGE NO: 1

Sec : 19 Twp : 20S Rng : 27E Section Type : NORMAL

1 39.77 TPB K00851 6 10/70 HUNT OIL CO C	C 40.00 TPB K00851 6 10/70 HUNT OIL CO C	B 40.00 TPB K00851 6 10/70 HUNT OIL CO C	A 40.00 TPB K00851 6 10/70 HUNT OIL CO C
2 39.88 TPB K00851 6 10/70 HUNT OIL CO C	F 40.00 TPB K00851 6 10/70 HUNT OIL CO C A	G 40.00 TPB K00851 6 10/70 HUNT OIL CO C	H 40.00 TPB L00355 10/77 LARIO OIL & GAS C C

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/04/95 10:11:29
OGOMES -EMFB
PAGE NO: 2

Sec : 19 Twp : 20S Rng : 27E Section Type : NORMAL

3 40.02 TPB K00851 6 10/70 HUNT OIL CO C	K 40.00 TPB K00851 6 10/70 HUNT OIL CO C	J 40.00 TPB L00355 10/77 LARIO OIL & GAS C C	I 40.00 TPB L00355 10/77 LARIO OIL & GAS C C
4 40.13 TPB L00355 10/77 LARIO OIL & GAS C C	N 40.00 TPB L00355 10/77 LARIO OIL & GAS C C	O 40.00 TPB L00355 10/77 LARIO OIL & GAS C C	P 40.00 TPB L00355 10/77 LARIO OIL & GAS C C

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

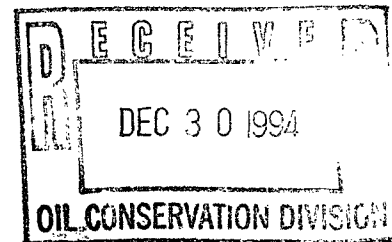
PF06
PF12

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF :
MATADOR OPERATING COMPANY, A WHOLLY :
OWNED SUBSIDIARY OF MATADOR PETRO- :
LEUM CORPORATION, FOR AN UNORTHODOX :
GAS WELL LOCATION - :
EDDY COUNTY, NEW MEXICO :
_____ :

CASE NO. 11,175

APPLICATION



COMES NOW Matador Operating Company, a wholly owned subsidiary of Matador Petroleum Corporation, and in support hereof, respectfully states:

1. Applicant is the operator of the following lands in Eddy County, New Mexico:

Township 20 South, Range 27 East, N.M.P.M.

Section 19: W/2

containing 319.80 acres, more or less,
and proposes to drill its Singer State 19 No. 1 Well, at a point located 990 feet from the north line and 660 feet from the west line (Unit D) of said Section 19, to a depth sufficient to test all formations from the surface of the earth down to and including the base of the Cisco formation, at approximately 8,700 feet.

2. Applicant seeks an exception to the well location requirements of Oil Conservation Division Rule 104 B.I.(a),

pursuant to Division Rule 104F(1), for administrative approval to drill the aforementioned well 990 feet from the north line and 660 feet from the west line of said Section 19. Applicant's request is predicated upon subsurface geological interpretation and upon the use of 3D seismic evaluation acquired by Applicant to identify the optimum drillsite location.

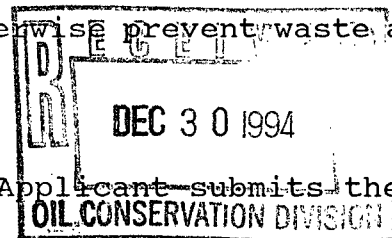
3. Applicant seeks approval for this location to test all formations from the surface of the earth down to and including the base of the Cisco formation.

4. A standard 319.80-acre proration unit compromising the W/2 of said Section 19 should be dedicated to such well or such lesser portion thereof as is reasonably shown to be productive of oil and gas.

5. The approval of this Application will afford Applicant the opportunity to produce its just and equitable share of oil and gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

6. In support of this application, Applicant submits the following:

- A. Topographic map attached.
- B. Form C-102 showing the well location, proration unit, leases within the unit.
- C. Exhibit "A", Land Plat, showing offset working interest owners, should be in your possession. The well located in Unit F is producing from the Morrow

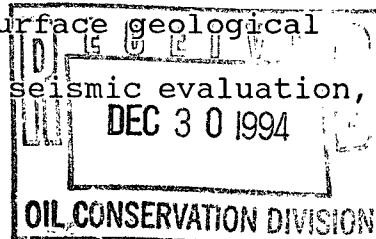


formation.

- D. Exhibit "B", copy of the original drilling opinion dated December 23, 1994, including cover page and pages 4 & 5, covering Section 19, T20S, R27E, Eddy County, N.M., describing lessees and owners of operating rights therein.
- E. Exhibit "C" - geological write-up and maps supporting Applicant's unorthodox well location.
- F. Waiver letters dated November 30, 1994, to the offsetting working interest owners surrounding Section 19, T20S, R27E, Eddy County, N.M., should be in your possession:
 - 1. Yates Group - Sec. 13 & 24, T20S, R26E; Sec. 20, T20S, R27E.
 - 2. Collins & Ware (Louis Dreyfus) - Sec. 25, T20S, R26E.
 - 3. Maralo, Inc. - Sec. 25, T20S, R26E.
 - 4. Hunt Oil Company - Sec. 19, T20S, R27E.
 - 5. Ms. Lora Canter - Sec. 19, T20S, R27E.
 - 6. Mr. Craig Clark - Sec. 19, T20S, R27E; Sec. 18, T20S, R27E.
 - 7. Mr. Doug Schutz - Sec. 30, T20S, R27E.
 - 8. Mr. Ray Westall - Sec. 29, T20S, R27E.
 - 9. Lario Oil & Gas Company - Sec. 19, T20S, R27E.
 - 10. Matador Operating Company - Sec. 19, T20S, R27E.

WHEREFORE, Applicant requests:

A. That this Application of Administrative Approval of Unorthodox Location, based upon subsurface geological interpretation and upon the use of 3D seismic evaluation, be given as required by law.



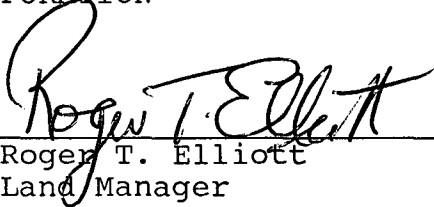
B. That upon the Division entering its order granting Applicant permission to drill its Singer State 19 No. 1 Well at a

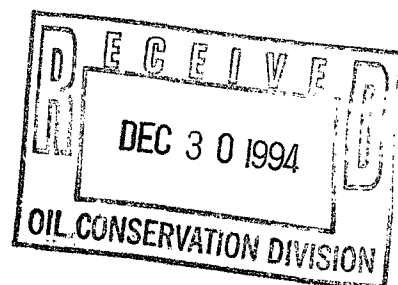
point 990 feet from the north line and 660 feet from the west line (Unit D) of Section 19, Township 20 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and to dedicate the W/2 of Section 19 to said well for production from all formations to the base of the Cisco formation, which may be developed on 320-acre spacing.

C. And for such other and further relief as may be just in the premises.

MATADOR OPERATING COMPANY, A WHOLLY OWNED SUBSIDIARY OF MATADOR PETROLEUM CORPORATION

By:


Roger T. Elliott
Land Manager



District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name SINGER STATE "19"	⁶ Well Number 1
⁷ GRID No.	⁸ Operator Name MATADOR OPERATING COMPANY	⁹ Elevation 3300

¹⁰Surface Location

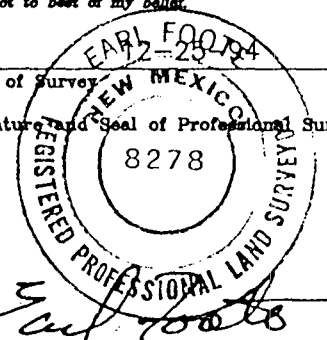
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	19	20-S	27-E		990	NORTH	660	WEST	EDDY

¹¹Bottom Hole Location If Different From Surface

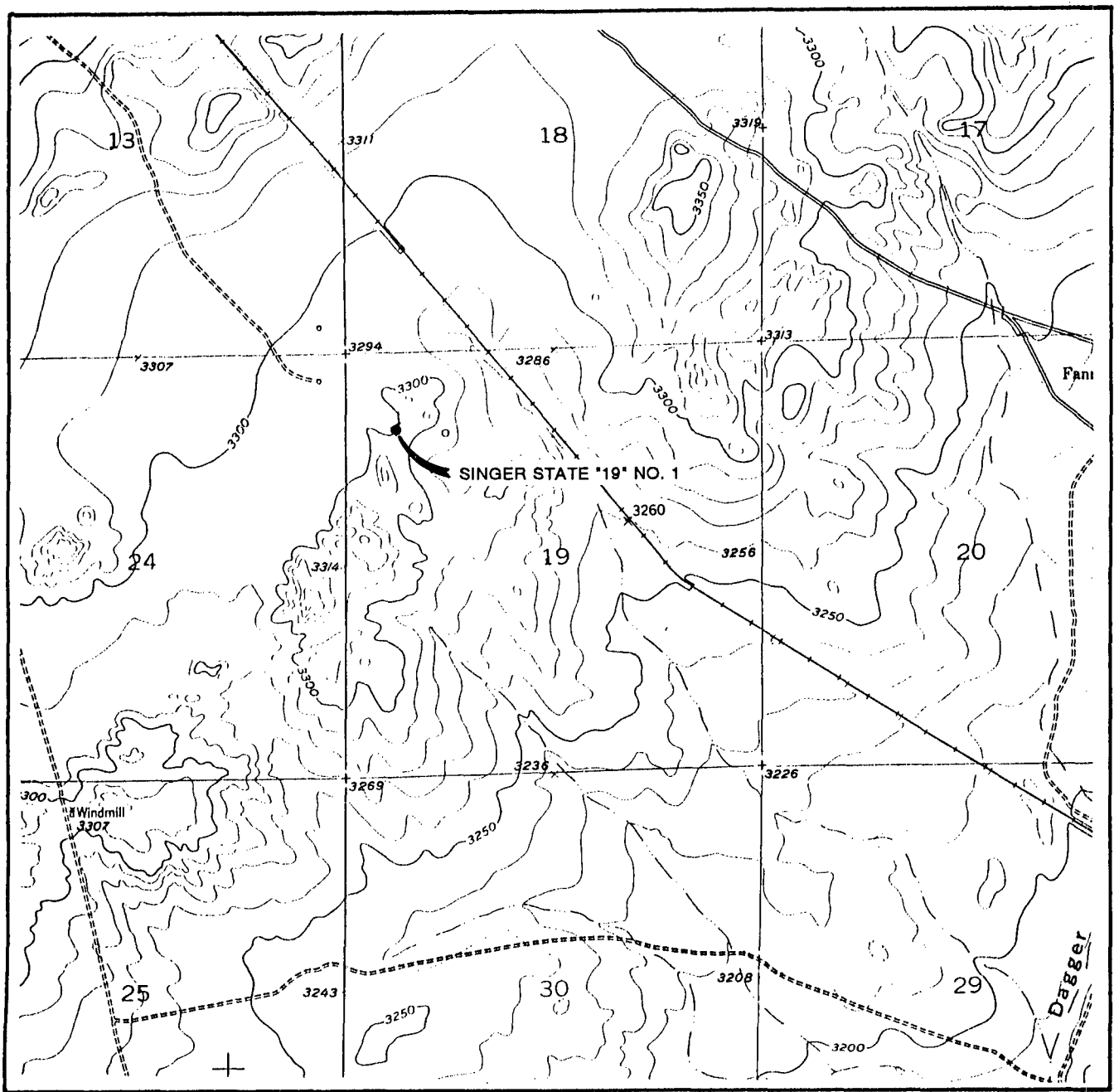
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶ 990' 660'	K-851-6 Tract A		¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature R. F. Burke Printed Name Operations Manager Title December 29, 1994 Date
Hunt Oil Company - 1/2 Matador Petroleum Corp. - 1/2			¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to best of my belief.</i> DEC 30 1994 OIL CONSERVATION DIVISION Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number 8278
Tract B Lora M. Canter - 1/8 M. Craig Clark - 1/4 Lario Oil & Gas Co. - 1/4 Matador Petroleum Corp. - 3/8 (-)	L-355		

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL 10'

SEC. 19 TWP. 20-S RGE. 27-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NM

DESCRIPTION 990' FNL & 660 FWL

ELEVATION 3300'

OPERATOR MATADOR OPERATING COMPANY

LEASE SINGER STATE '19' NO. 1

U.S.G.S. TOPOGRAPHIC MAP

LAKE MCMILLAN SOUTH, NM

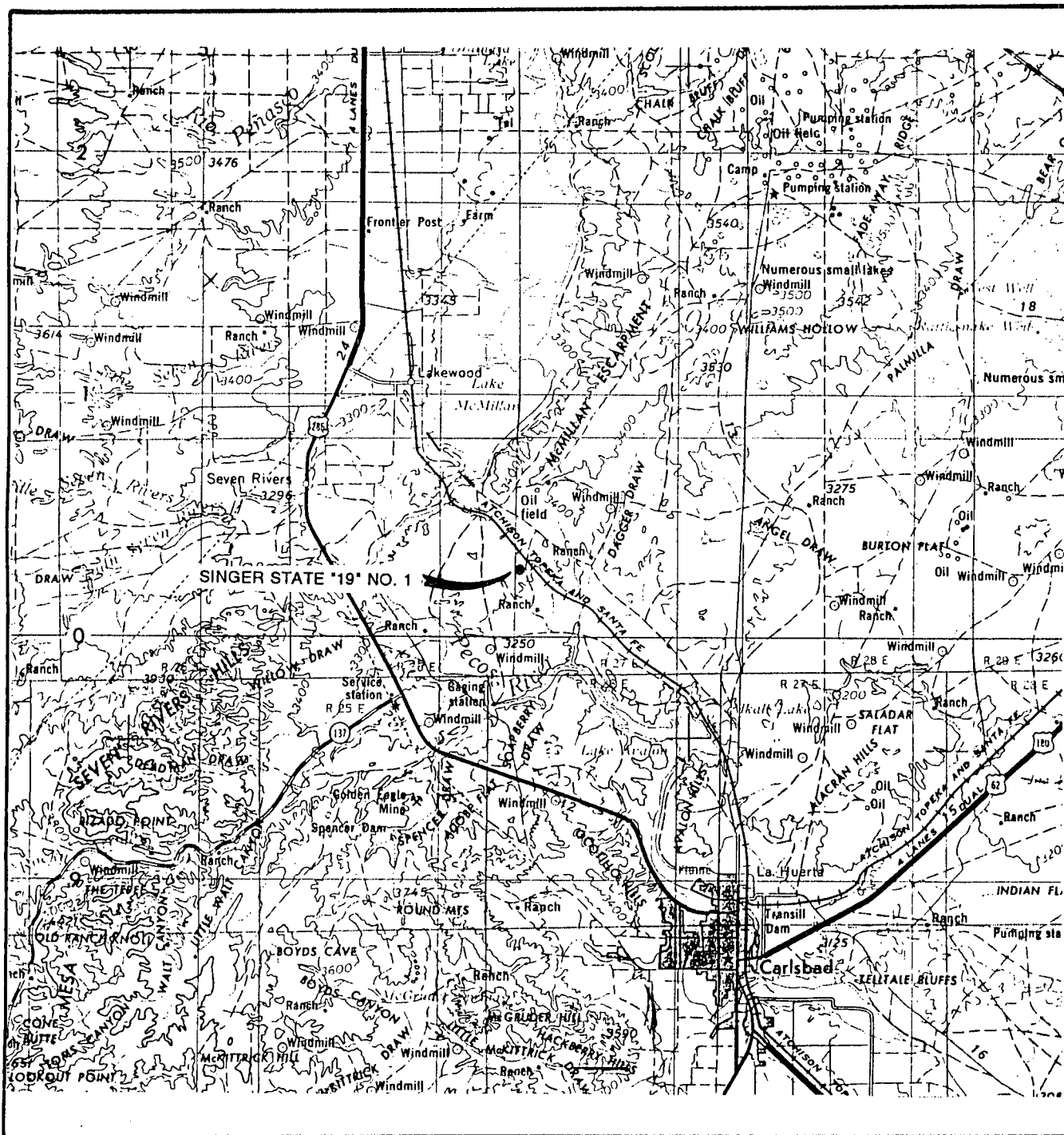
WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

915-685-3800

VICINITY MAP



SCALE: 1" = 4 MILES

SEC. 19 TWP. 20-S RGE. 27-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NM

DESCRIPTION 990' FNL & 660' FWL

ELEVATION 3300'

OPERATOR MATADOR OPERATING COMPANY

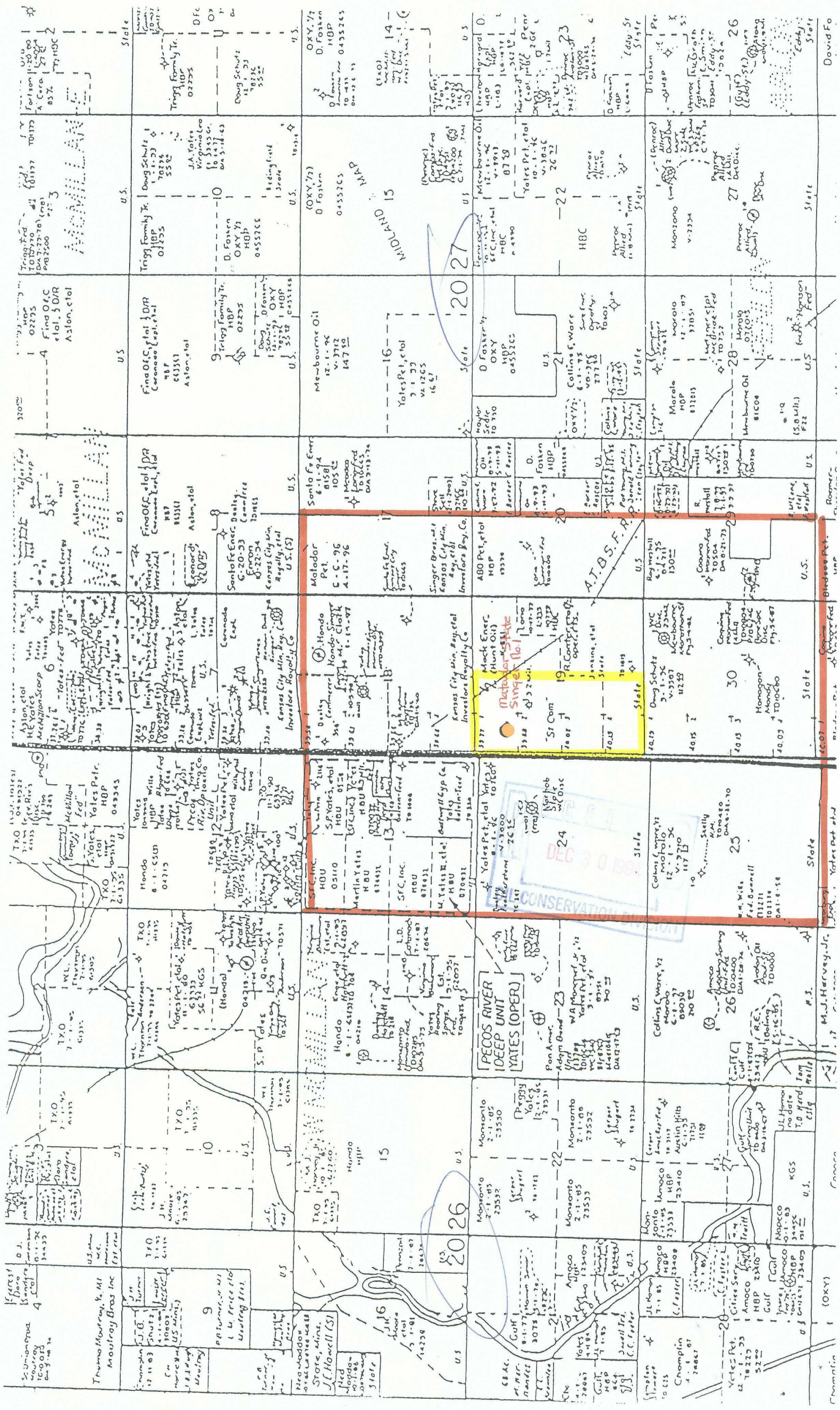
LEASE SINGER STATE '19' NO. 1

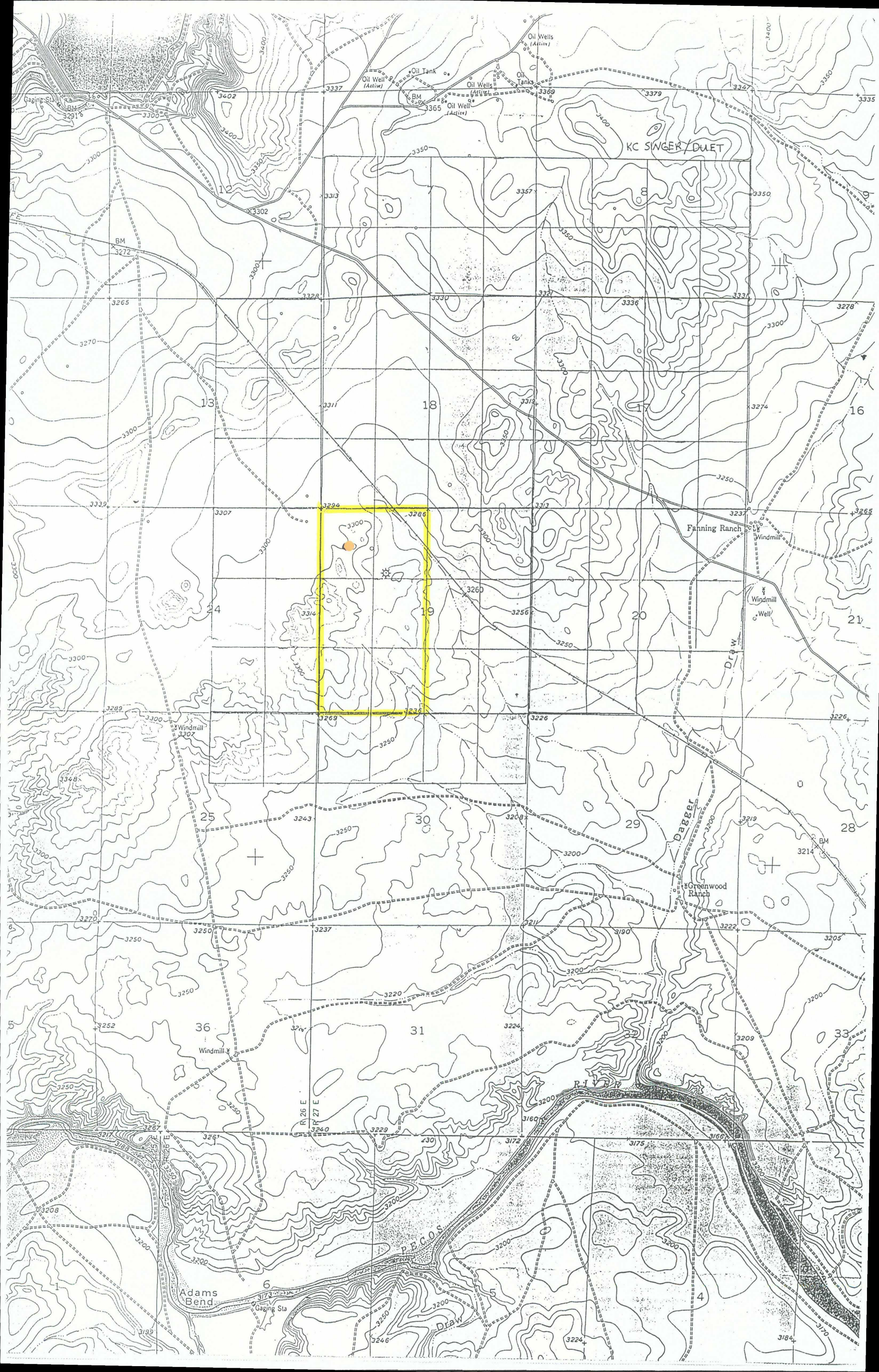
WEST TEXAS CONSULTANTS, INC.

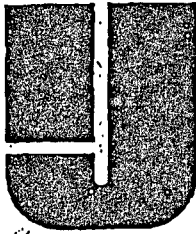
ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

915-685-3800





INTERJURIST LAW FIRMA Professional Corporation
(505) 622-2800

December 23, 1994

SIM B. CHRISTY IV
Senior Counsel to the Firm

JAMES H. BOZARTH †

ELLIS G. VICKERS †

PHIL BREWER †

FRED H. HENNIGHAUSEN, **

A. J. OLSEN

GREGORY L. TOWNSEND

† Also Licensed in Texas

New Mexico Board of Legal Specialization
Recognized Specialist• Natural Resources • Oil & Gas Law
• Natural Resources • Water Law(Formerly)
CHRISTY, BOZARTH, VICKERS,
HENNIGHAUSEN & OLSEN, P.C.(Office Address)
UNITED BANK PLAZA, SUITE 900
400 NORTH PENNSYLVANIA AVENUE
ROSWELL, NEW MEXICO 86201(Mailing Address)
P.O. BOX 820
ROSWELL, NM 86202-0820(International Address)
8 RUE DE LA ROTISSERIE
1204 GENEVA, SWITZERLAND(Facsimile)
(505) 622-3972**MATADOR PETROLEUM CORPORATION**

Suite 158, Pecan Creek

8340 Meadow Road

Dallas, Texas 75231

Attn: BARRY OSBORNE

Title Opinion No. 5060

(Singer Prospect)

ORIGINAL DRILLING OPINION COVERING:**I. NEW MEXICO OIL & GAS LEASE NO. K-851-6:**State of New Mexico Oil & Gas Lease No. K-851-6 dated October 18, 1960, from the State of New Mexico, Lessor, to Hunt Oil Company, successor to the original Lessee, covering the following-described lands:**EDDY COUNTY, NEW MEXICO****T-20-S, R-27-E, N.M.P.M.,****Section 19:** Lots 1, 2 and 3, NE/4SW/4, N/2NE/4, SW/4NE/4 and E/2NW/4;

EXHIBIT "B"

containing 359.67 acres of land, more or less, and limited to depths between the surface and 8,500' below the surface or the base of the Cisco Formation, whichever is less, with the exception of the Morrow Zone of the Pennsylvanian Formation.

The above-described lease and lands may be referred to herein as "LEASE K-851-6".

II. NEW MEXICO OIL & GAS LEASE NO. L-355:State of New Mexico Oil & Gas Lease No. L-355 dated October 17, 1967 from the State of New Mexico, Lessor, to Lario Oil & Gas Company, Lessee, covering the following-described lands:**EDDY COUNTY, NEW MEXICO****T-20-S, R-27-E, N.M.P.M.,****Section 19:** Lot 4, SE/4NE/4, SE/4SW/4 and SE/4,containing 280.13 acres of land, more or less, and limited to depths between the surface and 100' below the stratigraphic equivalent of the total depth drilled, with the exception of the Morrow Zone of the Pennsylvanian Formation.

The above-described lease and lands may be referred to herein as "LEASE L-355".

FEE TITLE

No opinion is expressed herein concerning ownership of the surface estate of the captioned land. Based solely upon an examination of the foregoing Title Opinion, Abstracts, Instruments and materials, and subject to the Requirements and Comments hereinafter made, it is our opinion that title to the oil, gas and other minerals in and under the captioned land is owned as follows:

State of New Mexico All
(Subject to LEASE K-851-6 and LEASE L-355)

OIL & GAS LEASEHOLD ESTATE

Based solely upon an examination of the foregoing Title Opinion, Abstracts, instruments and materials, and subject to the Requirements and Comments hereinafter made, it is our opinion that title to the oil and gas leasehold estate covering the captioned land is owned as follows:

I. Oil & Gas Lease No. K-851-6 (359.67 Acres of Land)

Lots 1, 2 & 3, NE/4SW/4, N/2NE/4, SW/4NE/4 & E/2NW/4

ROYALTY INTEREST (12.5%)

State of New Mexico $12.5\% \times 8/8$

Total Royalty Interest = $12.5\% \times 8/8$

OVERRIDING ROYALTY INTEREST (3%)

Dave W. Cromwell, marital
status unknown $3\% \times 8/8$

Total Overriding Royalty Interest = $3\% \times 8/8$

WORKING INTEREST (84.5%)

*Hunt Oil Company, a
Delaware Corporation $50\% \times 84.5\%$

*Matador Petroleum Corporation, a
Texas Corporation $50\% \times 84.5\%$

Total Working Interest = $100\% \times 84.5\%$

burdens. In such event, Hunt and Matador will own the Overriding Royalty Interest and Working Interest set forth below:

Hunt $1/2 \times (25\% - 15.5\% = 9.5\%) = 4.75\% \text{ORI}$

Matador $50\% \times 75.0\%$
plus $50\% \times 84.5\% = 100\% \times 79.75\% \text{NRI}$

II. Oil & Gas Lease No. L-355 (280.13 Acres of Land)

Lot: 4, SE/4NE/4, SE/4SW/4 & SE/4

ROYALTY INTEREST (12.5%)

State of New Mexico $12.5\% \times 8/8$

Total Royalty Interest = $12.5\% \times 8/8$

OVERRIDING ROYALTY INTEREST (-0-)

WORKING INTEREST (87.5%)

*Lora M. Canter, a single woman $1/2 \times 1/4 = 1/8 \times 7/8$

M. Craig Clark, marital
status unknown $1/4 = 1/4 \times 7/8$

*Lario Oil & Gas Company,
a Corporation $1/2 \times 1/2 = 1/4 \times 7/8$

*Matador Petroleum Corporation, a
Texas Corporation $1/2 \times 3/4 = 3/8 \times 7/8$

Total Working Interest = $100\% \times 7/8$

SINGER STATE "19" #1

Geological and Geophysical Discussion

The K.C. Singer Prospect is located approximately ten (10) miles northwest of Carlsbad in T-20-S, R-27-E, Eddy County, New Mexico. The primary objective will be the Cisco-aged carbonate buildup. This carbonate buildup appears to have developed along a Cisco-aged shelf margin and became dolomitized after deposition resulting in a very porous and permeable reservoir facies. Hydrocarbon entrapment occurs in simple structural closures within this dolomite facies. Three (3) well-documented Cisco dolomite fields have been developed within the trend. Based on the areal extent, structural relief, and the very strong water drive of the existing fields, it is very evident that these structures can be and should have been drained by one or two optimally-placed wellbores. Therefore, 3D seismic was acquired to identify the location and extent of structural closures in the prospect area. Subsurface and 3D seismic evaluation indicates the presence of a closed Cisco structure within the dolomite facies in the NW/4 of Section 19, T-20-S, R-27-E (see attached Cisco structure, isopach maps, and structural cross-section). As illustrated by these maps, an unorthodox location of 990 FNL and 660 FWL of Section 19 is required for optimum wellbore placement to drain the 3D seismic identified closure.

LIMIT OF 3D SEISMIC COVERAGE

T20S-R26E

T20S-R27E

-4968

HARVEY YATES
(HONDO O&G)
1-A HONDO-SINGER
TD 10973



18

-5100

HONDO O&G
1-HONDO-SINGER
TD 8423

A

-4986

-5080

YATES DRLG
3-PECOS RIVER DEEP
TD 10404



-4948

HARVEY YATES
(HONDO O&G)
1-C HONDO-SINGER
TD 10399



-4969

SANTA FE ENERGY
1-KC SINGER "18"
TD 10665



-4900

-5000

19

24

990 FNL

PRQP LOG

660 FWL

-4825

-4905

SOHIO
1-ST "1-19"
TD 10520



-4900

-5000

-5100

-5037

30

MEWBOURNE
1-MARATHON ST
TD 10625

A'



KC SINGER PROSPECT
EDDY CO, NM
STRUCTURE
TOP OF CISCO
C.I. 50' 1"=1000'
CDH/LLL 12/94

LIMIT OF 3D SEISMIC COVERAGE

T20S-R26E

T20S-R27E

440 EST.

HARVEY YATES
(HONDO O&G)
1-A HONDO-SINGER
TD 10973



NDE

A

18

HONDO O&G
1-HONDO-SINGER
TD 8423



390 EST.

480 EST.

YATES DRLG
3-PECOS RIVER DEEP
TD 10404



HARVEY YATES
(HONDO O&G)
1-C HONDO-SINGER
TD 10399



663

SANTA FE ENERGY
1-KC SINGER "18"
TD 10665



24

19

PROP LOC



690 EST.



SOHIO
1-ST "1-19"
TD 10520

610



CITIES SERVICE
1-ST "CJ" COM
TD 10516

700

700

600

30

A'

MEWBOURNE
1-MARATHON ST
TD 10625



600

KC SINGER PROSPECT
EDDY CO, NM
ISOPACH
CISCO DOLOMITE
C.I. 100' 1"=1000'
RNT 12/94



LIMIT OF 3D SEISMIC COVERAGE

LIMIT OF 3D SEISMIC COVERAGE

LIMIT OF 3D SEISMIC COVERAGE

T20S-R26E

T20S-R27E

-4968

HARVEY YATES
(HONDO O&G)
1-A HONDO-SINGER
TD 10973



13

-5100

-4986

A

18

HONDO O&G
1-HONDO-SINGER
TD 8423

-5080

YATES DRLG
3-PECOS RIVER DEEP
TD 10404



-4948

HARVEY YATES
(HONDO O&G)
1-C HONDO-SINGER
TD 10399



-4969

SANTA FE ENERGY
1-KC SINGER "18"
TD 10665



-4900

24

990 FNL

PRQP LOG

660 FWL
-4825

19

-5000

-4931

CITIES SERVICE
1-ST "CJ" COM
TD 10516



-4905

SOHIO
1-ST "1-19"
TD 10520



-4900

-5000



-5100

-5037

30

A'

MEWBOURNE
1-MARATHON ST
TD 10625



KC SINGER PROSPECT
EDDY CO, NM
STRUCTURE
TOP OF CISCO
C.I. 50' 1"=1000'
CDH/LLL 12/94

LIMIT OF 3D SEISMIC COVERAGE

T20S-R26E

T20S-R27E

440 EST.

LIMIT OF 3D SEISMIC COVERAGE

HARVEY YATES
(HONDO O&G)
1-A HONDO-SINGER
TD 10973



NDE

A

18

HONDO O&G
1-HONDO-SINGER
TD 8423



390 EST.

480 EST.



YATES DRLG
3-PECOS RIVER DEEP
TD 10404

HARVEY YATES
(HONDO O&G)
1-C HONDO-SINGER
TD 10399



663



SANTA FE ENERGY
1-KC SINGER "18"
TD 10665

500

600

24

19

PROP LOC

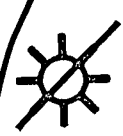


690 EST.



SOHIO
1-ST "1-19"
TD 10520

610



CITIES SERVICE
1-ST "CJ" COM
TD 10516

700

700

600

A'

30

MEWBOURNE
1-MARATHON ST
TD 10625



600



KC SINGER PROSPECT
EDDY CO, NM
ISOPACH
CISCO DOLOMITE
C.I. 100' 1"=1000'
RNT 12/94

LIMIT OF 3D SEISMIC COVERAGE

county Eddy Pool McMillan-Winkcamp Gas

TOWNSHIP 20 South Range 26 East NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: 1/4 Sec 24 (R-6698, 6-2-81)

County Eddy Pool Avalon-Strawn Gas

Pool Avalon-Strawn Gas

TOWNSHIP 20 South

Range 27 East

NMP M

A 36x36 grid of squares, numbered 1 to 36 in a boustrophedon pattern. The grid is divided into four 18x18 quadrants by a central vertical line. The numbering starts at the top left (1) and proceeds right, then down the right edge, then left across the bottom, and finally up the left edge. The numbers are placed in the center of each square.

Ext: $\frac{5}{2}$ Sec 31, $\frac{3}{2}$ Sec 32 (R-5667, 4-1-78) Ext: $\frac{N}{2}$ Sec 31, -
- $\frac{N}{2}$ Sec 32, All Sec 33 (R-5876, 12-1-78) Ext: $\frac{W}{2}$ Sec 28 (R-9668, 5-6-92)