BEFORE THE OIL CONSERVATION DIVISION NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

IN THE MATTER OF THE APPLICATION OF MATRIX NEW MEXICO HOLDINGS, L.L.C., FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 13419 CASE NO. 13420

<u>AFFIDAVIT</u>

)) ss.

STATE OF NEW MEXICO COUNTY OF SANTA FE

William F. Carr, attorney in fact and authorized representative of Matrix New Mexico Holdings, L.L.C., the Applicant herein, being first duly sworn, upon oath, states that notice of the above-referenced Application was mailed to the interested parties shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.

lliam F

SUBSCRIBED AND SWORN to before this 2^{n_2} day of February 2005 by William F. Carr.

Notary Public

23,2005 My Commission Expires:

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Case No.'s 13419 & 13420 Exhibit No. 6 Submitted by: <u>Matrix New Mexico Holdings, L.L.C.</u> Hearing Date: February 17, 2005

1

HOLLAND&HART

William F. Carr wcarr@hollandhart.com

January 27, 2005

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

TO ALL AFFECTED INTEREST OWNERS:

Re: Application of Matrix New Mexico Holdings, L.L.C. for compulsory pooling, Lea County, New Mexico. (Townsend Well No. 3)

Ladies and Gentlemen:

Matrix New Mexico Holdings, L.L.C. has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests from the surface to the base of the Wolfcamp formation in NE/4 SE/4 of Section 10, Township 13 South, Range 38 East, NMPM, to form a standard 40-acre oil spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the Bronco-Wolfcamp Pool. Said units are to be dedicated to Matrix Townsend Well No. 3 to be drilled at a standard oil well location in the NE/4 SE/4 of said Section 10 to a depth sufficient to test all formations from the surface through Wolfcamp formation.

This application has been set for hearing before a Division Examiner on February 17, 2005. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-hearing Statement three days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office lat the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

William F. Carr I ATTORNEY FOR MATRIX NEW MEXICO HOLDINGS, L.L.C.

cc: Fred Bryla Matrix New Mexico Holdings. L.L.C.

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

IN THE MATTER OF THE APPLICATION OF MATRIX NEW MEXICO HOLDINGS, L.L.C. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO.____

APPLICATION

MATRIX NEW MEXICO HOLDINGS, L.L.C. ("Matrix") through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17(C), for an order pooling all mineral interests from the surface through the base of the Wolfcamp formation in the NE/4 SE/4 of Section 10, Township 13 South, Range 38 East, NMPM, to form a standard 40-acre oil spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the Bronco-Wolfcamp Pool, and in support thereof states:

1. Matrix is a working interest owner in the NE/4 SE/4 of said Section 10 and has the right to drill thereon.

2. Matrix proposes to dedicate the above-referenced spacing and proration unit to its Townsend Well No. 3 to be drilled at a standard oil well within the NE/4 SE/4 of this section to a depth sufficient to test all formations from the surface through the Wolfcamp formation.

3. Matrix has sought and been unable to obtain a voluntary agreement for the development of these lands from those interest owners identified on Exhibit A to this application.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit Matrix the opportunity to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Matrix New Mexico Operating Company, L.L.C. should be designated the operator of the well to be drilled.

WHEREFORE, Matrix New Mexico Holdings, L.L.C. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 17, 2005 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing units,
- B. designating Matrix New Mexico Operating Company, L.L.C. operator of this spacing unit and the well to be drilled thereon,

C. authorizing Matrix New Mexico Holdings, L.L.C. to recover its costs of drilling,

equipping and completing the well,

- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a 200% penalty for the risk assumed by Matrix New Mexico Holdings,
 L.L.C. in drilling and completing the well against any working interest owner
 that does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: \checkmark

William F. Carr Post Office Box 2208 Santa Fe, New Mexico 87504 Telephone: (505) 988-4421

ATTORNEYS FOR MATRIX NEW MEXICO HOLDINGS, L.L.C.

EXHIBIT A

Application of Matrix New Mexico Holdings, L.L.C. for compulsory pooling Section 10:Unit Letter I Township 13 South, Range 38 East, NMPM Lea County, New Mexico.

(Townsend Well No. 3)

Apollo Exploration, L.L.C. 1415 23rd Street Canyon, Texas 79015 Attn: Chris Bright

Bronco Projects, L.L.C. 35755 Stenzel Road Brookshire, Texas 77432 Attn: George Joseph

Duck Hook II, LC 3401 94th Street Lubbock, Texas 79423 Attn: Mike Chase

Eric Fox Post Office Box 8736 Amarillo, Texas 79114

Gary Greenstreet, L.L.C. 3902 85th Place Lubbock, Texas 79423 Attn: Gary Greenstreet

Jens H. Mortensen, Jr. 12301 Rooth Road McAllen, Texas 78504

Larami, Ltd. 545 North Upper Broadway, # 507 Corpus Christi, Texas 78476 Attn: George Placke

Lindsay Production & Royalties 122 East Pecan Street, Suite 500 San Antonio, Texas 78250 Attn: Sidney Lindsay The Nordan Trust 122 East Pecan Street, Suite 500 San Antonio, Texas 78250 Attn: Louis Belinski

OGI, Ltd. 545 North Upper Broadway # 507 Corpus Christi, Texas 78476 Attn: George Placke

Sunlight Exploration, Inc. 1415 23rd Street Canyon, Texas 79015 Attn: Chris Bright

Mr. Leroy Townsend 7650 East Vista Drive Scottsdale, Arizona 85250

WFV Partnership Post Office Box 64953 Lubbock, Texas 79464 Attn: Terry Wynn

Estate of Calvin D. Townsend Address Unknown CASE ____

Application of Matrix New Mexico Holdings, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface through the Wolfcamp formation in the NE/4 SE/4 of Section 10, Township 13 South, Range 38 East, NMPM to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the Bronco-Wolfcamp Pool. Said units are to be dedicated to its Townsend Well No. 3 to be drilled at a standard oil well location in the NE/4 SE/4 of said Section 10 to a depth sufficient to test all formations through the Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matrix New Mexico Operating Company, L.L.C. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles southwest of Bronco, Texas.

HOLLAND&HART

William F. Carr wcarr@hollandhart.com

January 27, 2005

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

TO ALL AFFECTED INTEREST OWNERS:

Re: Application of Matrix New Mexico Holdings, L.L.C. for compulsory pooling, Lea County, New Mexico. (Townsend Well No. 2)

Ladies and Gentlemen:

Matrix New Mexico Holdings, L.L.C. has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests from the surface to the base of the Wolfcamp formation in SE/4 NE/4 of Section 10, Township 13 South, Range 38 East, NMPM, to form a standard 40-acre oil spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Bronco-Wolfcamp Pool. Said units are to be dedicated to Matrix Townsend Well No. 2 to be drilled at a standard oil well location in the SE/4 NE/4 of said Section 10 to a depth sufficient to test all formations from the surface through Wolfcamp formation.

This application has been set for hearing before a Division Examiner on February 17, 2005. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-hearing Statement three days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office lat the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

y truly yours, Vel

William F. Carr ATTORNEY FOR MATRIX NEW MEXICO HOLDINGS, L.L.C.

cc: Fred Bryla Matrix New Mexico Holdings. L.L.C.

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

IN THE MATTER OF THE APPLICATION OF MATRIX NEW MEXICO HOLDINGS, L.L.C. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO._____

APPLICATION

MATRIX NEW MEXICO HOLDINGS, L.L.C. ("Matrix") through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17(C), for an order pooling all mineral interests from the surface through the base of the Wolfcamp formation in the SE/4 NE/4 of Section 10, Township 13 South, Range 38 East, NMPM, to form a standard 40-acre oil spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Bronco-Wolfcamp Pool, and in support thereof states:

1. Matrix is a working interest owner in the SE/4 NE/4 of said Section 10 and has the right to drill thereon.

2. Matrix proposes to dedicate the above-referenced spacing and proration unit to its Townsend Well No. 2 to be drilled at a standard oil well within the SE/4 NE/4 of this section to a depth sufficient to test all formations from the surface through the Wolfcamp formation.

3. Matrix has sought and been unable to obtain a voluntary agreement for the development of these lands from those interest owners identified on Exhibit A to this application.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit Matrix the opportunity to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Matrix New Mexico Operating Company, L.L.C. should be designated the operator of the well to be drilled.

WHEREFORE, Matrix New Mexico Holdings, L.L.C. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 17, 2005 and, after notice and hearing as required by law, the Division enter its order:

A. pooling all mineral interests in the subject spacing units,

B. designating Matrix New Mexico Operating Company, L.L.C. operator of this spacing

unit and the well to be drilled thereon,

- C. authorizing Matrix New Mexico Holdings, L.L.C. to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a 200% penalty for the risk assumed by Matrix New Mexico Holdings, L.L.C.
 in drilling and completing the well against any working interest owner who does
 not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By:

William F. Carr Post Office Box 2208 Santa Fe, New Mexico 87504 Telephone: (505) 988-4421

ATTORNEYS FOR MATRIX NEW MEXICO HOLDINGS, L.L.C.

EXHIBIT A

Application of Matrix New Mexico Holdings, L.L.C. for compulsory pooling Section 10:Unit Letter H Township 13 South, Range 38 East, NMPM Lea County, New Mexico.

(Townsend Well No. 2)

Apollo Exploration, L.L.C. 1415 23rd Street Canyon, Texas 79015 Attn: Chris Bright

Bronco Projects, L.L.C. 35755 Stenzel Road Brookshire, Texas 77432 Attn: George Joseph

Duck Hook II, LC 3401 94th Street Lubbock, Texas 79423 Attn: Mike Chase

Eric Fox Post Office Box 8736 Amarillo, Texas 79114

Gary Greenstreet, L.L.C. 3902 85th Place Lubbock, Texas 79423 Attn: Gary Greenstreet

Jens H. Mortensen, Jr. 12301 Rooth Road McAllen, Texas 78504

Larami, Ltd. 545 North Upper Broadway, # 507 Corpus Christi, Texas 78476 Attn: George Placke

Lindsay Production & Royalties 122 East Pecan Street, Suite 500 San Antonio, Texas 78250 Attn: Sidney Lindsay The Nordan Trust 122 East Pecan Street, Suite 500 San Antonio, Texas 78250 Attn: Louis Belinski

OGI, Ltd. 545 North Upper Broadway # 507 Corpus Christi, Texas 78476 Attn: George Placke

Sunlight Exploration, Inc. 1415 23rd Street Canyon, Texas 79015 Attn: Chris Bright

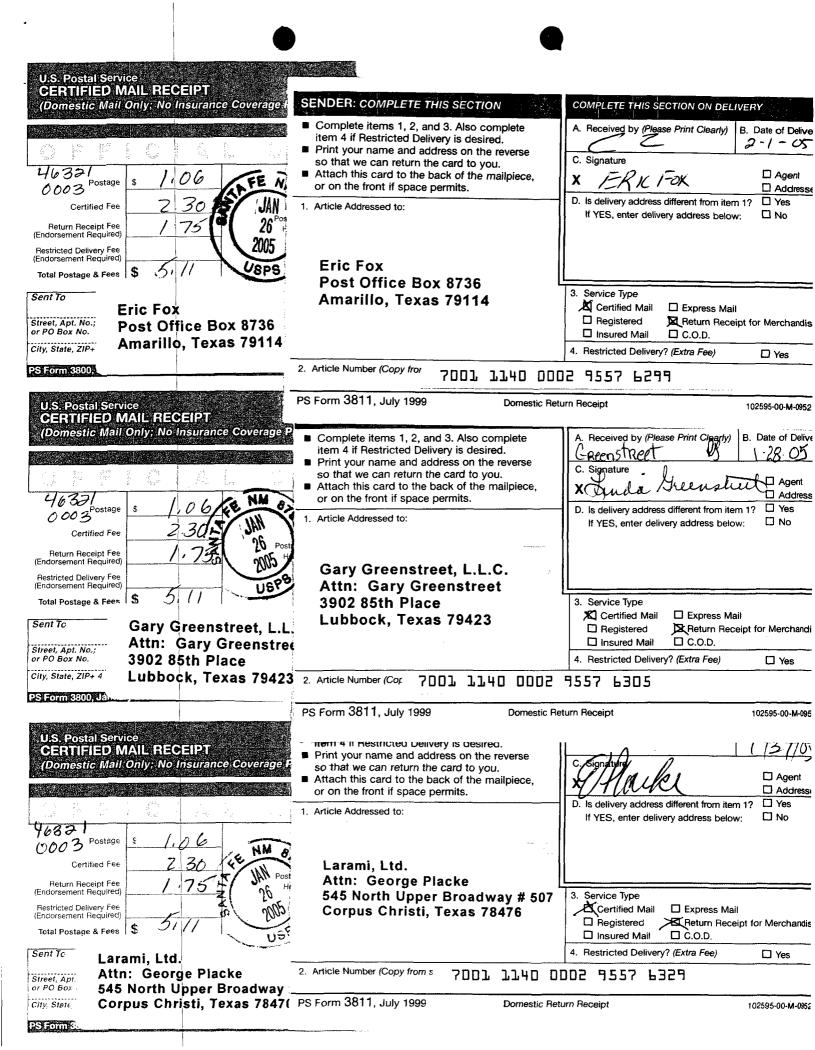
Mr. Leroy Townsend 7650 East Vista Drive Scottsdale, Arizona 85250

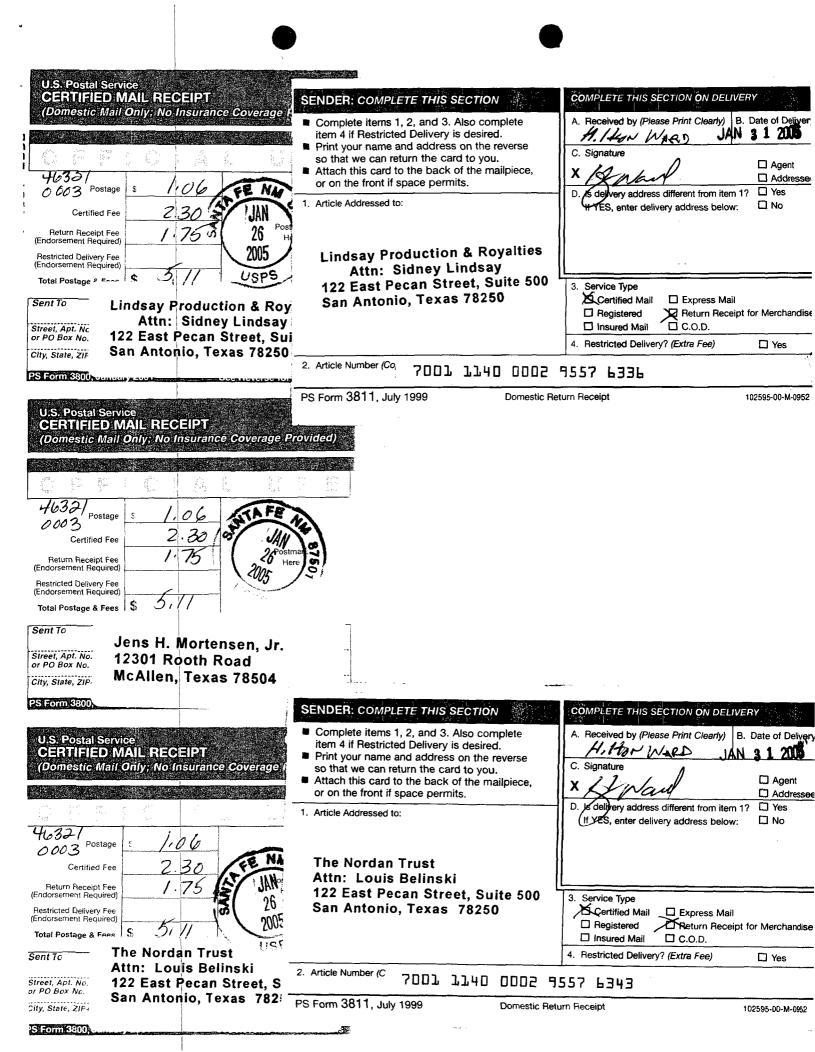
WFV Partnership Post Office Box 64953 Lubbock, Texas 79464 Attn: Terry Wynn

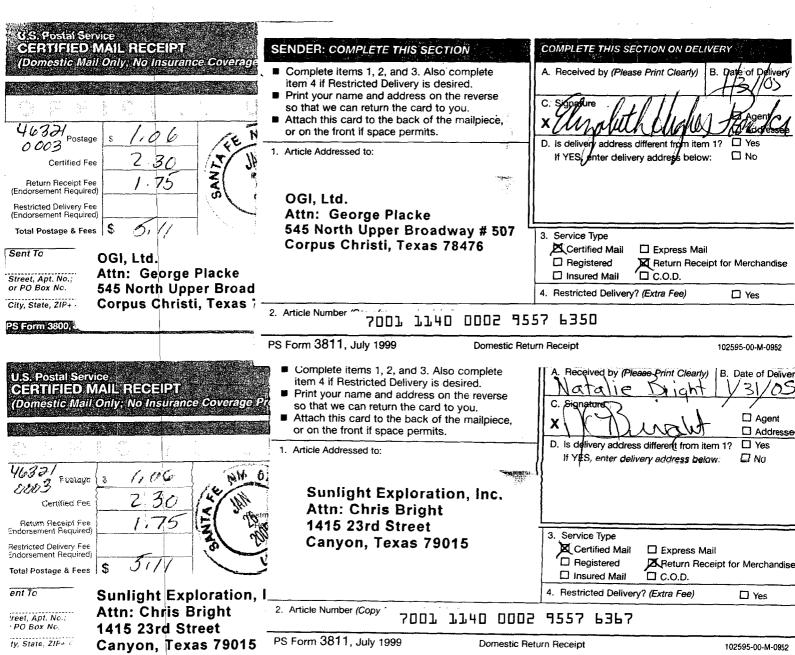
Estate of Calvin D. Townsend Address Unknown Application of Matrix New Mexico Holdings, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface through the Wolfcamp formation in the SE/4 NE/4 of Section 10, Township 13 South, Range 38 East, NMPM to form a standard spacing and proration unit for all formations developed on 40acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Bronco-Wolfcamp Pool. Said units are to be dedicated to its Townsend Well No. 2 to be drilled at a standard oil well location in the SE/4 NE/4 of said Section 10 to a depth sufficient to test all formations through the Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating Company, L.L.C. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles southwest of Bronco, Texas.

CASE ____:









Form 3800, dk



Linne

Affidavit of Publication	Copy of Copy of DEPARTMENT DIVISION SANTA FE;	
STATE OF NEW MEXICO	NEW MEXICO The State of New	
County of Eddy:	Mexico through its Oil Conservation Division hereby gives notice pur-	
Gary D. Scott being duly	suant to law and the Rules and Regulations of the Division of the follow-	
sworn,says: That he is the Publisher of The	held at 8:15 A Million	to form a standard spacing and proration unit for all formations developed
Artesia Daily Press, a daily newspaper of general	repruary 17, 2005, in the Oil Conservation Division	on 40-acre spacing within that vertical extent
circulation, published in English at Artesia, said county	Hearing Room at 1220 South St. Francis, Santa Fe. New Mexico, before	necessarily limited to the Bronco-Wolfcamp Pool
and county and state, and that the here to attached	an examiner duly appoint for the hearing. If you	Said units are to be dedi- cated to its Townsend Well No. 3 to be drilled at
Legal Notice	are an individual with a disability who is in need of a reader, amplifier,	a standard oil well loca- tion in the NE/4 SE/4 of
was published in a regular and entire issue of the said	quilfied sign language in- terpreter, or any other	said Section 10 to a depth sufficient to test all formations through the
Artesia Daily Press,a daily newspaper duly qualified	form of auxiliary aid or service to attend or par- ticipate in the hearing;	Wolfcamp formation. Also to be considered will be the cost of drilling
for that purpose within the meaning of Chapter 167 of	please contact: Florene Davidson at 505-476-3458 or through	and completing said well and the allocation of the
the 1937 Session Laws of the state of New Mexico for	Network.	cost thereof as well as actual operating costs and charges for super-
1 consecutive weeks/days on the same	1-800-659-1779 by Feb- ruary 7, 2005. Public documents including the	vision, designation of Matrix New Mexico Oper- ating Company, L.L.C. as
lay as follows:	agenda and minutes, can the provided in various	200% charge for risk in-
First Publication January 30 2005	accessible forms Please contact Florence	volved in drilling said well. Said area is lo- cated approximately 3
Second Publication	Davidson if a summary or other type of accessi- ble form is needed.	co, Texas
	STATE OF NEW MEXICO TO-	Given under the Seal of the State of New Mexi- co Oil Conservation
Third Publication	All named parties and persons having any right, title, interest	Commission at Santa Fe, New Mexico on this
Fourth Publication	or claim in the following cases	27th day of January 2005. STATE OF NEW
Xann Litt	and notice to the public. (NOTE: All land de-	MEXICO OIL CONSERVATION
Subscribed and sworn to before me this	scriptions herein refer to the New Mexico Principal	DIVISION Mark E. Fesmire, P.E., Director
31st Day January 2005	Meridian whether∤or not so stated)	Published in the Artesia Daily Press, Artesia, N.M. January 30, 2005.
Darbara lens Boans	CASE 13419: Application of Matrix New Mexico Holdings,	Legal 18760
Notary Public, Eddy County, New Mexico	pooling, Lea County	
My Commission expires September : 23, 2007	New Mexico. Applicant in the above-styled cause seeks an order	
	pooling all mineral inter- ests from the surface through the Wolfcamp formation in the NE/4 SE/4 of Section 10, Township 13 South, Bange 38 East MinDa	

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	NOTICE OF PUBLICATION STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES RESOURCES
Affidavit of Publication Copy of Publ	NEW MEXICO New Of New The State of New The State Of New Division Conservation Division
County of Eddy: being duly	hereby griaw and the suant to law and the Rules and Regulations of the Division of the follow: ing public hearing to be ing public hearing to be held at 8:15 A:M on held at 8:15 A:M on shride to form a standard sf ing and proration unit ing and prorations develop on 40-acre spac on 40-acre spac
sworn, says: That he is the Publisher	Oil Conservation at 1220 Hearing Room at 1220 South St. Francis, Santa South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a are an individual with a are an individual with a
circulation, published in Englished and county and state, and that the here to attached Legal Notice	disability with a mplifier, amplifier, SE/4 NE/4 of sature of a reader, anguage in- gulified sign language in- terpreter, or any other form of auxiliary aid or service to attend or par- service in the hearing. Also to be consider
was published in a regular and entire issue of the said Artesia Daily Press,a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of	Davidson 505-476-3458 or through the New Mexico Relay N e t w O r k 1-800-659-1779 by Feb- nary 7, 2005, dog the sion, designation of the and completionation of the and the allocation of the cost thereof as well actual operating cost and charges for super and cha
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day as follows: First Publication January 30 2005	ble form and parties and persons having any right, title, interest or claim in the sand co, Texas co, Texas MEXICO TO: MEXICO TO: MEXICO TO: Communication and persons having any right, title, interest or claim in the sand co, Texas co, Texas All named parties and persons having any right, title, interest or claim in the sand co Oll Conservation co Oll Conservation
Second Publication Third Publication Fourth Publication	notice to the public 2005. STATE OF NE (NOTE: All land de- scriptions herein refer to scriptions herein refer to the New Mexico OIL CONSERVATI OIL CONSERVATI DIVISI Principal Principal Mark E. Fesmire, I Division whether or not
Subscribed and sworn to before me this	so stated.) CASE 13420: Application of Matrix New Mexico Holdings, L.C. for compulsory pooling, Lea Applicant New Mexico. Applicant New Mexico. Styled
<u>31st</u> Day <u>January</u> <u>Bore an</u> Barban Bore A Notary Public, Eddy County, New Mexico Notary Public, Eddy County, New Mexico	in the seeks an order cause seeks an order pooling all mineral in- terests from the surface through the Wolfcamp through the SE/4 formation in the SE/4 formation in the SE/4
My Commission expires Septement	Township 13 South