

MATADOR PETROLEUM CORPORATION

SUITE 158, PECAN CREEK

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Mona D. Ables
District Landman

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July 20, 2000

VIA FEDERAL EXPRESS

James Bruce
Attorney at Law
3304 Camino Lisa
Hyde Park Estates
Santa Fe, New Mexico 87501

Re: Ocean Energy Resources
Derrick Fed. Com. ~~#1~~ #3
Section 5, T-16-S, R-28-E
Eddy Co., New Mexico

9B

Dear Mr. Bruce:

We are in receipt of your request for Matador to execute a Waiver regarding Ocean's application for an exception to Rule 104.C.(2) for its Derrick Fed. Com. #1 well. Please be advised that Matador is willing to execute a waiver subject to Ocean Energy Resources agreeing to provide Matador Petroleum Corporation with well information from the Derrick Fed. Com. #1 well as soon as it is available. Well information shall include, but not be limited to, daily drilling reports, copies of all logs run, and any testing and production information. The well information should be mailed to my attention at the letterhead address.

#3

9D

The attached waiver dated July 17, 2000 has been executed subject to your acceptance of the terms and conditions of this Letter Agreement. Please evidence your acceptance by signing in the space provided below and returning one (1) copy of this Agreement to my attention on or before July 26, 2000.

Very truly yours,

Mona Ables

Mona D. Ables

ACCEPTED AND AGREED TO THIS 21st DAY OF JULY, 2000.

By:

James Bruce
Attorney for Ocean Energy Resources, Inc.

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NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT 5

CASE NO. 12468