MATADOR PETROLEUM CORPORATION

SUITE 158, PECAN CREEK 8340 MEADOW ROAD DALLAS, TEXAS 75231-3751 (214) 987-3650 FAX: (214) 691-1415

Mark Virant Division Landman Writer's Direct Line (214) 987-7156

December 26, 2000

Ms. Lori Wrotenbery, Director Oil Conservation Division New Mexico Department of Energy Minerals and Natural Resources 2040 South Pacheco Street Santa Fe, New Mexico 87503

> Re: Case No. 12519 Order No. R-11484 E/2 of Section 12, Township 21 South, Range 34 East Lea County, New Mexico

Dear Ms. Wrotenbery:

Please be advised that all parties subject to the forced pooling provisions of the above captioned order have subsequently reached a voluntary agreement. Matador Petroleum Corporation plans to spud the Mary State Com No. 1 well (API No. 30-025-35215) on or before February 15, 2001.

Your assistance in this matter has been appreciated and if you have any questions or need additional information, please do not hesitate to contact this office.

Sincerely,

Mark A. Virant

MarkWwent

MAV/ks