

COMMUNICATION SUMMARY REGARDING EAST HALF SECTION 12, T-21-S, R-34-E, LEA COUNTY, NEW MEXICO

<u>DATE</u>	<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>DESCRIPTION</u>
08/12/00	phone	Nearburg - Shelton	Matador – Ables	Request for well proposal and statement of support for Matador as Operator.
08/17/00	letter	Matador – Ables	EOG – Cunningham Devon – Wood Nearburg - Roush Santa Fe – Smith	Transmittal of well proposal, AFE and proposed JOA.
08/18/00	phone	Matador – Ables	Santa Fe – Smith	Request for old title opinion.
08/21/00	phone	Matador – Ables	Nearburg – Shelton	Requested a copy of available title information. Reiterated support for Matador as Operator.
09/07/00	in person	Matador – Virant	EOG – Cunningham	Review of JOA.
09/12/00	in person	Matador – Osborne	Nearburg – Shelton	Discussion of AFE and well proposal. Mr. Shelton advised a compulsory pooling hearing would be necessary in order to get a response from Devon.
09/13/00	in person	Matador – Virant	EOG – Cunningham	Discussion of AFE, operations and JOA.
09/13/00	phone	Matador – Virant	Devon – Smith	Discussion of identification of appropriate personnel reviewing well proposal for Devon. Advised Devon was preoccupied with merger issues.
09/14/00	phone	Matador – Virant	Devon – Winchester	Advised with merger issues it was difficult to make decisions. Didn't know who was going to be working the prospect.

BEFORE THE

OIL CONSERVATION DIVISION

Case No. 12519 Exhibit No. — **3**

Submitted By:

Matador Petroleum Corp.

Hearing Date: October 19, 2000

<u>DATE</u>	<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>DESCRIPTION</u>
09/14/00	phone	Matador – Virant	Devon – Gray	Told of Devon turmoil as a result of merger with Santa Fe Snyder. Advised Matador should take whatever actions are necessary to protect Matador's interest.
09/18/00	phone	Matador – Burke	Devon – Gray	Discussion of rig situation and need for a response.
09/18/00	phone	Matador – Virant	Nearburg – Shelton	Nearburg indicated they would approve AFE subject to title review and execution of a JOA.
09/19/00	phone	Matador – Burke	Devon – Gray	Mr. Gray advised he would discuss the matter with geologist and engineer.
09/22/00	phone	Matador – Burke	Devon – Gray	Mr. Gray advised their geologist was opposed, felt the sands weren't as developed at proposed location and that Devon was already draining the location with Devon's Outland State Unit well #1-Y in the W/2 Section 12.
09/22/00	fax/fed ex	Matador – Virant	Parks & Luttrell – Preston	Transmittal of well proposal and AFE.
09/22/00	fax/fed ex	Matador – Virant	Asher Fund – Seaman	Transmittal of well proposal and AFE.
09/25/00	mail	Asher – Seaman	Matador – Virant	Transmittal of approved AFE.
09/25/00	phone/fax	Matador – Virant	Parks & Luttrell – Preston	Proposal of acquisition of interest.
09/25/00	letter/fax	Matador – Virant	Texaco – Mullins	Proposal of acquisition of leasehold interest.
09/26/00	fax	Matador – Virant	Devon – Gray	Transmittal of copy of application for compulsory pooling.
09/28/00	letter	Matador – Virant	Devon – Gray	Status of final ownership, application for pooling and drilling plans.
			Parks & Luttrell – Preston	
			EOG – Cunningham	

<u>DATE</u>	<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>DESCRIPTION</u>
			Asher – Seaman	
			Nearburg – Roush	
09/30/00	in person	Matador – Burke	Devon – Gray	Additional discussions, no change from Devon.
10/01/00	in person	Matador – Burke	Devon – Gray	Additional discussion, no change from Devon.
10/04/00	letter	Matador – Osborne	Devon – Gray	Letter of thanks for effort to get Mary State “12” Com Well No. 1 addressed internally.
10/06/00	phone	Matador – Wood	Devon – Strickler	Request for AFE approval and avoidance of hearing for compulsory pooling.
10/09/00	phone	Matador – Wood	Devon – Strickler	Advised that Devon would not oppose Matador at hearing.
10/10/00	in person	Matador – Virant	Nearburg – Roush	Discussion of final JOA changes.
10/10/00	in person	Matador – Virant	EOG – Cunningham	Discussion of final JOA changes.
10/13/00	phone	Matador – Virant	EOG – Cunningham	Acceptance of final changes to JOA.
10/16/00	fax	Parks – Preston	Matador – Virant	Transmittal of approved AFE.
10/16/00	phone	Matador – Virant	Nearburg – Roush	Acceptance of final changes to JOA.
10/16/00	phone	Matador – Virant	Devon – Gray	Advised that Devon would not appear or oppose Matador at hearing.
10/16/00	letter	Matador – Virant	Texaco – Mullins	Transmittal of bonus consideration for conveyance.
10/17/00	fax	Matador – Virant	Nearburg – Roush	Transmittal of final changes to JOA.
			EOG – Cunningham	

<u>DATE</u>	<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>DESCRIPTION</u>
10/17/00	phone	Matador – Virant	EOG – Cunningham	Advised EOG would have final approval this week.
10/18/00	letter/fed ex	Matador – Virant	EOG – Cunningham	Transmittal of final JOA executed by Matador.
			Nearburg – Roush	
			Parks & Luttrell – Preston	
			Asher - Seaman	