



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

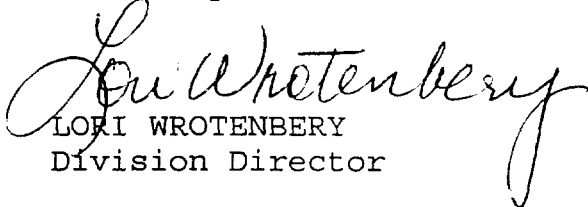
July 26, 2001

Mr. Thomas Kellahin
Kellahin and Kellahin
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Dear Mr. Kellahin:

Based upon the reasons stated in your letter of July 24, 2001, and in accordance with the provisions of Division Order No. R-11525, Matador Petroleum Corporation is hereby granted an additional extension of time until December 1, 2001, in which to commence drilling the well pooled by this order.

Sincerely,


LORI WROTENBERY
Division Director

fd/

cc: ✓ Case No. 12573
OCD - Hobbs

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

July 24, 2001

Via Facsimile

Ms. Lori Wrotenbery, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Request of Matador Petroleum Corporation
for Extension of Date for Commencement of Well
Pursuant to Compulsory Pooling Order R-11525
Case 12573 (Laura State "13" Well No. 1)
E/2 of Section 13, T21S, R34E, NMPM.
Lea County, New Mexico

Dear Ms. Wrotenbery:

On behalf of Matador Petroleum Corporation ("Matador") and in accordance with the provisions of the referenced order, I am requesting a 90-day extension to December 1, 2001 in order to the commence this well and in support state:

(1) the order was entered effective January 31, 2001 and provided that this well shall be commenced on or before May 1, 2001;

(2) on April 23, 2001, Matador applied to the Division for an extension which was granted on April 23, 2001 extending the commencement date to August 1, 2001;

(3) Matador is unable to commence the well by August 1, 2001 and seeks another extension for the following reasons:

Matador currently has Patterson Drilling Company's Rig #8 under contract through the end of 2001. Due to the shortage of rigs, Matador has attempted but has been unsuccessful in contracting for another rig.

Oil Conservation Division

July 24, 2001

-Page 2-

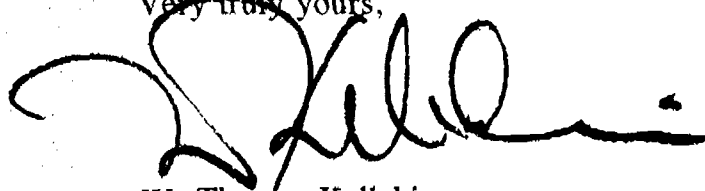
The Patterson Rig #8 was originally scheduled to be available for Matador's use by January 15, 2001 but because of difficulties encountered with the prior operator, the rig did not become available until February 21, 2001 at which time Matador spud the Mary State "12" Com Well No 1. This was to have been a 45-day well.

However as of April 11, 2001, the bottomhole assembly became stuck, the casing parted and on May 1, 2001 the well was plugged and abandoned. Then the rig was skidded and the well was redrilled as the Mary State "12" Well 1Y with the rig being finally released on July 18, 2001. Because of the delays with the Mary State well, Matador obtained an extension for commencing the Laura State Well from April 23 to August 1, 2001.

The Patterson Rig #8 was then moved to the Vaca Draw "15" Well No 1 in order to save an expiring term assignment which would have expired on August 1, 2001. Upon completion of the Vaca Draw "15" Well No. 1, Matador plans to move the rig to spud the Laura State Well.

Therefore due to difficulties encountered by the shortage of rigs and the unforeseen drilling problems, Matador respectfully requests an additional ninety (90) day extension to December 1, 2001.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin

cc: Matador Petroleum Corporation
Attn: Mark Virant