

**MATADOR PETROLEUM CORPORATION**  
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Mark Virant  
Division Landman

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December 22, 2000

Mr. Ray Vaden  
Chevron USA Inc.  
15 Smith Road  
Midland, Texas 79705

Re: IB Federal Com #1  
Section 20, T-22-S, R-23-E  
Eddy County, New Mexico

Dear Ray:

Matador E & P Company ("Matador") hereby re-proposes the drilling of the IB Federal Com #1 well to be located 660' FNL & 1146' FEL of Section 20 T-22-S, R-23-E, Eddy County, New Mexico. In the event production is subject to a pool spacing on 640-acre spacing, including the Indian Basin Upper Penn Gas Pool, then Matador proposes to dedicate all of Section 1 to the well. In the event well spacing is 320-acres then Matador proposes to dedicate the E/2 of Section 1 to the well. The location has been moved from the previous proposal of October 27, 2000 due to surface problems, but our interest remains the same.


The well will be drilled to a depth sufficient to adequately test the Cisco formation, or 7700', whichever is the lesser depth. Enclosed is the following item for your review and execution should you desire to participate in the drilling of the proposed well:

1. Two (2) original AFE's which outline the estimated cost of the operation for the drilling of the subject well. Should you desire to participate in the drilling of the proposed well, please return one (1) executed copy of the AFE to my attention.

The JOA will be identical to one in the original proposal dated October 27, 2000 other than the revised contract area to reflect the new spacing unit.

Thank you for your attention to this matter. If you have any questions, or need any additional information, please do not hesitate to call.

Sincerely,



Mark Virant

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 12594 Exhibit No. 6  
Submitted By:  
*Matador Petroleum Corp.*  
Hearing Date: February 22, 2001