

Michael L Pierce
7707 Plainfield Dr.
Hobbs, NM 88242
505-392-1915

July 27, 2001

Mr. Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

OIL CONSERVATION DIV
01 JUL 30 PM 2:12

RE: Unorthodox Well Location
Matador Petroleum Corporation
Williams 34 Well No. 3
Section 34 - T19S - R37E
Lea County, New Mexico

Case 12718

Dear Mr. Stogner:

I am in receipt of Matador Petroleum Corporation's application for unorthodox well location for the above captioned well. I wish to protest this application for the following reasons:

- 1) Matador proposes to drill a Strawn well offsetting the Cooper "3" No. 6 which was drilled in late 2000. According to data submitted in Matador's application the Strawn was tested for several months. The reported production along with the high water cut shows this well to be marginal at best. They are now proposing to offset this well to the north, and according to their own geologic interpretation, the well will be structurally lower in the Strawn than the original well. In the application page 2, Part A, Matador indicates that structural position is very important to "increase the probability of production". Additionally, according to daily reports from Matador on the Cooper "3" No. 6 well, the Strawn perforations were squeezed in late June of this year and the well recompleted in the McKee. I question if they truly want to test the Strawn in the proposed well. or are they more interested in the other zones up hole.

- 2) I own interest in the wells that are operated by Me-Tex Oil & Gas, which may be adversely affected by allowing Matador to complete at an unorthodox location. The wells in question are the Cooper No. 1 (Monument Tubb), the J. Cooper No. 1 (Northwest Skaggs Drinkard), and the J. W. Cooper No. 5 (Weir Blinebry). All these wells are completed at standard locations. These three wells will be south offsets to the proposed well. Allowing Matador to complete in zones at an unorthodox location will give them an unfair advantage to produce, and will not protect our correlative rights.

If Matador feels that the Strawn needs to be tested at the proposed unorthodox location, I recommend that you do not allow them to recomplete up the hole. They can still produce their shallower rights at a standard location without serious loss of structural position, and without infringing on offset owners' rights.

If this matter goes to hearing, I plan to be there on my own behalf, and for Me-Tex Oil & Gas. Please keep me informed as to the hearing date.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael L. Pierce', written in a cursive style.

Michael L. Pierce
Certified Petroleum Geologist #4527