



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 23, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Matador Petroleum Corporation
Attention: W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504-2265

Case 12718

RE: *Administrative application of Matador Petroleum Corporation to drill its proposed Williams "34" Well No. 3 at an unorthodox oil well location 230' FSL & 1750' FEL (Unit O) of Section 34, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, in which the SW/4 SE/4 of Section 34 is to be dedicated in order to form a standard 40-acre oil spacing and proration unit within the Paddock, Blinebry, Drinkard, Abo, and Strawn formations.*

Dear Mr. Kellahin:

On Monday, July 23, 2001 the Division received an objection from Lewis B. Burleson, Inc. to the subject application, see copy of a letter attached.

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for August 23, 2001. I have prepared the following advertisement in this matter:

"Application of Matador Petroleum Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant seeks approval to drill its proposed Williams "34" Well No. 3 at an unorthodox oil well location 230 feet from the South line and 1750 feet from the East line (Unit O) of Section 34, Township 19 South, Range 37 East, which is located approximately 1.5 miles east-southeast of Monument, New Mexico. The SW/4 SE/4 of Section 34 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for the Paddock, Blinebry, Abo, and Strawn formations, and the Northwest Skaggs-Drinkard Pool".

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
Lewis L. Burleson, Inc., Attention: Lewis B. Burleson - Midland, Texas
Kathy Valdes - OCD, Santa Fe