

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE)
(505) 982-2151 (FAX)

jamesbruc@aol.com

March 10, 2003

Via Fax and U.S. Mail

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

Re: Case No. 13014/Matador E & P Company

Dear Ms. Wrotenbery:

Arch Petroleum Inc. hereby requests a two week continuance of the above matter, which is currently set for hearing on March 13th.

Before I state the reasons for the continuance, I wish to inform you that Arch and Matador are negotiating an operating agreement, and may well reach voluntary agreement by Thursday. In fact, personnel for Arch were reviewing the operating agreement this past weekend in the hope that all issues can be worked out. The time of the parties can be more profitably spent negotiating than by going to hearing.

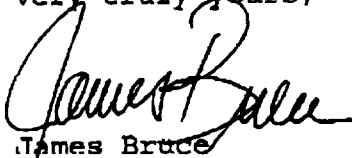
Arch has two reasons for its continuance request:

1. The above case was filed under Rule 1207.A(1)(b), such that "in the absence of objection this matter will be taken under advisement." Arch objects to the application. Therefore, under Rule 1207.A(1)(e) the matter must be re-set for a full hearing. The next available hearing is March 27th, and the case must be continued to that date.
2. Arch has witness availability problems: (a) Its geologist is Glenn Curry, who is on a family vacation this week (spring break in Texas), and thus is unavailable. Mr Curry has been Arch's geologist responsible for this area for over five years, and thus his testimony cannot be adequately presented by another

geologist; and (2) the landman who has been dealing with Matador (Thomas Land) will be on vacation March 13th. An alternate landman who is familiar with this matter (Terry Gant) is unavailable because he is dealing with an acquisition matter and must be in Dallas on March 13th.

Arch has requested a voluntary continuance from Matador, but Matador has refused. Arch (the largest working interest owner in the proposed well) is trying to resolve this matter, and a two week continuance is not an undue burden on Matador.

Very truly yours,



James Bruce

Attorney for Arch Petroleum Inc.

cc. W. Thomas Kellahin (via fax)