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EL PATIO BUILDING

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August 14, 1990

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AUG 14 1990

OIL CONSERVATION DIVISION

Mr. William J. LeMay
Oil Conservation Division
P.O. Box 2068
Santa Fe, NM 87504

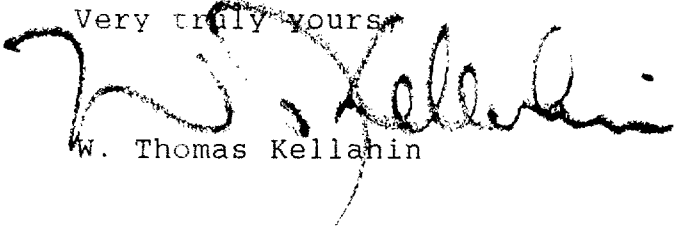
Re: Matador Petroleum Corporation
for Compulsory Pooling
W/2, Section 5, T20S, R34E,
Lea County, New Mexico

Dear Mr. LeMay:

Enclosed please find the original and two copy of an application by Matador Petroleum Corporation for Compulsory Pooling, Eddy County, New Mexico. Please set this application for hearing on the examiner docket now scheduled for September 5, 1990.

In accordance with Division Rule 1207, we are sending all working owners listed in this application a copy of this letter and a copy of the enclosed application, by certified mail, in order to notify them that they have the opportunity to appear in support of or in opposition to the enclosed application.

Very truly yours,


W. Thomas Kellahin

KA/tic

cc: David N. Frye, CPL
Matador Petroleum Corporation
Suite 158, Pecan Creek
8340 Meadow Road
Dallas, Texas 75231

Certified Return Receipt Requested
Working interest owners listed in
Exhibit "A" of application

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

RECEIVED

AUG 14 1990

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF MATADOR PETROLEUM CORPORATION
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO

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A P P L I C A T I O N

COMES NOW MATADOR PETROLEUM CORPORATION, by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and in accordance with Section 70-2-17(c) N.M.S.A. (1978 Comp.) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests from the surface to the base of the Morrow formation or 13,600 feet, whichever is deeper, underlying the W/2 of Section 5, Township 20 South, Range 34 East, N.M.P.M, Lea County, New Mexico in the following manner:

a) the W/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, which presently includes but is not necessarily limited to the Quail Ridge-Morrow Gas Pool;

b) the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing;

c) the SW/4NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing, which presently includes but is not necessarily limited to the Undesignated San Miguel-Yates Oil Pool and Lea-Bone Springs Oil Pool.

1. Applicant has the right to drill and develop the W/2 of Section 5, T20S, R34E, Lea County, New Mexico.

2. Applicant desires to drill its well at a standard location 1980 feet from the North line and 660 feet from the West line in the W/2 of said section.

3. Applicant has sought the voluntary agreement with all those parties shown on Exhibit "A" for the formation of appropriate spacing and proration units, but has been unable to obtain voluntary agreement from all parties.

4. Pursuant to the Division's notice requirements, applicant has notified all working interest owners shown on Exhibit "A" of this application for compulsory pooling and the applicant's request that this matter be set for hearing before the Division on September 5, 1990.

5. In order to obtain its just and equitable share of the hydrocarbons underlying the above tract(s), applicant needs an order pooling the mineral interests involved in order to protect applicant's correlative rights and prevent waste.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interests described herein. Applicant further prays that it be named operator of the well, and that the order make provision for applicant to recover, out of production, its cost of drilling, completing and equipping the subject well, costs of operation, including costs of supervision, and a risk factor in the amount of 200% for the drilling and completing of the well, and for such other and further relief as may be proper.

Respectfully submitted,

KELLAHIN, KELLAHIN & AUBREY

By: 

W. Thomas Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

WTK/tic

OWNER NAME / ADDRESS =====	WORKING INTERESTS			
	W/2 BELOW 5000' =====	NW/4 BELOW 5000' =====	NW/4 ABOVE 5000' =====	W/2 NW/4 ALL DEPTHS =====
UNION OIL CO. OF CALIFORNIA P. O. BOX 310 MIDLAND, TX 79701 ATTN: MR. BOB GNAGY	0.20552700	0.21875000		
EDWARD R. HUDSON, JR. 616 TEXAS STREET FT. WORTH, TX 76102	0.00781250	0.01562500	0.03125000	
EDWARD R. HUDSON TRUST 616 TEXAS STREET FT. WORTH, TX 76102	0.03750000	0.07500000	0.15000000	
WILLIAM A. HUDSON 616 TEXAS STREET FT. WORTH, TX 76102	0.03750000	0.07500000	0.15000000	
MOORE & SHELTON COMPANY 616 TEXAS STREET FT. WORTH, TX 76102	0.01875000	0.03750000	0.07500000	
MS. FRANCIS H. HUDSON 616 TEXAS STREET FT. WORTH, TX 76102	0.00781250	0.01562500	0.03125000	
MS. ELIZABETH L. COX c/o COX OIL & GAS, INC. 2200 ROSS AVENUE, SUITE 3600 DALLAS, TX 75201	0.00288460			
EDWIN B. COX ESTATE c/o COX OIL & GAS, INC. 2200 ROSS AVENUE, SUITE 3600 DALLAS, TX 75201	0.00576920			
EDWIN L. COX c/o COX OIL & GAS, INC. 2200 ROSS AVENUE, SUITE 3600 DALLAS, TX 75201	0.00288460			
REDSTONE OIL & GAS COMPANY 511 16TH STREET DENVER, CO 80202	0.00000000			
WILLIAM A. HUDSON AND ESTATE OF EDWARD R. HUDSON 1000 FIRST NATIONAL BUILDING FT. WORTH, TX 76102 ATTN: EDWARD R. HUDSON, JR.	0.05884600			
EDWARD R. HUDSON, JR., AGENT AND ATTORNEY-IN-FACT FOR ANITA G. MOORE, ET AL (MOORE FAMILY INTERESTS) 1000 FIRST NATIONAL BUILDING FT. WORTH, TX 76102	0.01038460			
RESOURCES INVESTMENT CORPORATION 800-B WEST WALL MIDLAND, TX 79701 ATTN: JEFF SMITH	0.15000000			
EDWIN L. COX, ELIZABETH L. COX AND ESTATE OF EDWIN B. COX 3800 FIRST NATIONAL BANK BUILDING DALLAS, TX 75202	0.00000000			
MATADOR PETROLEUM CORPORATION ET AL 8340 MEADOW ROAD, SUITE 158 DALLAS, TX 75231	0.45432900	0.56250000	0.56250000	1.00000000
	1.00000000	1.00000000	1.00000000	1.00000000