

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



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June 28, 1994

Matador Petroleum Corporation
415 W. Wall
Suite 1101
Midland, Texas 79701

Attention: Roger N. Townsend

Administrative Order DD-95(NSBHL)

Dear Mr. Townsend:

Under the provisions of General Rules 111 (C), (D) and (E) and 104 (F), Matador Petroleum Corporation made application to the New Mexico Oil Conservation Division on June 13, 1994, for authorization to re-enter the existing Texaco, Inc. State "LLA" Shell Well No. 1 and recompleat said well by side tracking off of the vertical wellbore and directionally drill to a pre-determined bottom-hole location in order to further test the Devonian formation for oil production, Chaves County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rules 111 (D) and (E) and 104 (F) of the Division General Rules and Regulations;
- (2) The Texaco, Inc. State "LLA" Shell Well No. 1 was originally drilled in 1959 to a total depth of 10,390 feet to test the Devonian formation for oil at a standard oil well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 32, Township 15 South, Range 30 East, NMPM, Chaves County, New Mexico. Said well subsequently tested "dry" and was properly plugged and abandoned;
- (3) The applicant/operator proposes to kick off vertical at a depth of approximately 7850 feet in a northeasterly direction and drill in such a manner as to bottom in the Little Lucky Lake-Devonian Pool at a true vertical depth of approximately 11200 feet within 50 feet of a target point located 440 feet from the North line and 2420 feet from the West line of said Section 32;
- (4) The NE/4 NW/4 (Unit C) of said Section 32 shall be dedicated to said well forming a standard 40-acre oil spacing and proration unit;