

MATADOR PETROLEUM CORPORATION

415 W. WALL, SUITE 1101
MIDLAND, TX 79701
(915) 687-5955

June 6, 1994

DD-95<NS BHL>

Mr. Bill LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

Re: State LLA #1
Sec. 32-T15S-R30E
Chaves County, New Mexico

Dear Mr. LeMay:

Matador Operating Company is requesting approval to re-enter the State LLA #1 which was drilled in 1959 to the Devonian formation at a TD of 11,250 feet. This well did not produce from the Devonian. A Pennsylvanian completion resulted in poor production and the well was plugged and abandoned in July of 1960.

Matador believes that by re-entering the wellbore and beginning directional drilling at the cement plug at approximately 7800 feet in a northeasterly direction, we can cross a Devonian fault and find the upthrown Devonian to be oil productive. The surface location is at 660' FNL & 1980' FWL of the referenced section. The proposed bottom hole location will be approximately 490 feet northeast at a location of 440' FNL & 2420' FWL of the same section.

Matador is notifying offset operators of this request by certified mail. Please let us know if we have not followed appropriate procedures in making this request and we will take measures to rectify the situation. Thank you for your time considering this matter and I hope you will not hesitate to call me if you have any questions or need any further information.

Sincerely,

Roger N. Townsend

Roger N. Townsend
Chief Geologist

RNT/pl

Mr. Bill LeMay
June 6, 1994
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A copy of this letter has been sent by certified mail to the following offset operators:

Mr. Gene Lee
Paloma Resources Inc.
1306 Meadow Lane
Roswell, NM 88201

P 778 125 991

Mr. Mark McClellan
Sulimar Company
P. O. Drawer 730
Roswell, NM 88202-0730

P 778 215 990

P 778 125 990
RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

PS Form 3800, June 1985

Sent to Mr. Mark McClellan Sulimar Company	
Street and No. P. O. Drawer 730	
P.O., State and ZIP Code Roswell, NM 88202-0730	
Postage	\$.29
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 1.29
Postmark or Date	

Fold at line over top of envelope to the right
of the return address

CERTIFIED

P 778 125 990

MAIL

P 778 125 991
RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

PS Form 3800, June 1985

Sent to Mr. Gene Lee Paloma Resources Inc.	
Street and No. 1306 Meadow Lane	
P.O., State and ZIP Code Roswell, NM 88201	
Postage	\$.29
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 1.29
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P 778 125 991

MAIL