

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF MATADOR PRODUCTION  
COMPANY FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

CASE NO. \_\_\_\_\_

**APPLICATION**

Matador Production Company (“Matador” or “Applicant”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Strawn formation (Humble City; Strawn, South [Pool Code 33500]) underlying a standard 80-acre spacing unit comprised of the W/2 NE/4, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico. In support of its application, Matador states:

1. An affiliate entity of Matador (OGRID No. 228937) is a working interest owner in the proposed spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Rey B 13-17S-37E #1** well, a directional well to be drilled and completed at a non-standard bottom-hole location in the NW/4 NE/4 (Unit B) of Section 13 to a depth sufficient to test the Strawn formation.
3. The special pool rules issued under Order No. R-6913, *et. seq.*, for the Humble City; Strawn, South, Pool requires 80-acre spacing and for wells to be located within 150 feet of the center of a governmental quarter-quarter section.
4. Applicant will separately seek administrative approval for the proposed non-standard location.

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

6. The pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 5, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the proposed spacing unit;
- B. Designating Applicant operator of this spacing unit and the well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By:   
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Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Paula M. Vance  
Post Office Box 2208  
Santa Fe, NM 87504  
505-998-4421  
505-983-6043 Facsimile  
mfeldewert@hollandhart.com  
arankin@hollandhart.com  
jbroggi@hollandhart.com  
pmvance@hollandhart.com

**ATTORNEYS FOR MATADOR PRODUCTION COMPANY**

CASE \_\_\_\_\_: **Application of Matador Production Company for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Strawn formation (Humble City; Strawn, South [Pool Code 33500]) underlying a standard 80-acre spacing unit comprised of the W/2 NE/4, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **Rey B 13-17S-37E #1** well, a directional well to be drilled and completed at a non-standard bottom-hole location in the NW/4 NE/4 (Unit B) of Section 13 to a depth sufficient to test the Strawn formation. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling the well. Said area is located approximately 8 miles southeast of Loving, New Mexico.