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April 17, 2015

**VIA EMAIL and
U.S. Mail**

Case 15301

Florene Davidson
Oil Conservation Division
New Mexico Department of Energy, Minerals and Natural Resources
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Applications to the Oil Conservation District

Dear Ms. Davidson:

Enclosed please find two applications for hearing for Matador
Production Company.

Should you have questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'JLB', is written over a horizontal line.

Jennifer L. Bradfute

JLB/sjh
Enclosures
Y:\dox\client\85889\0004\CORRES\W2428380.DOC

Modrall Sperling
Roehl Harris & Sisk
P.A.

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

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**APPLICATION OF MATADOR
PRODUCTION COMPANY
FOR A NON-STANDARD OIL SPACING
AND PRORATION UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 15301

APPLICATION

Matador Production Company ("Matador"), OGRID Number 228937, through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the S/2 S/2 of Section 13, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. In support of this application, Matador states as follows:

1. Matador is an interest owner in the subject lands and has the right to drill a well thereon.
2. Matador seeks to dedicate the S/2 S/2 of Section 13 to the proposed well to form a non-standard 160-acre, more or less, oil spacing and proration unit (the "project area").
3. Matador proposes to drill the Janie Conner 13-24S-28E RB #124H well, API Number 30-015-43039, to a depth sufficient to test the Bone Spring formation. This well is a horizontal well with a surface location 415 feet from the South line, 255 feet from the East line

(Section 14), and a terminus 331 feet from the South line, 240 feet from the East line (Section 13).

4. This project area is within the Pierce Crossing, Bone Springs pool (pool code 50371). There are no special pool rules, and the producing interval that Matador seeks will comply with the statewide 330-foot setback requirements.

5. Matador sought, but has been unable to obtain a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed project area to participate in the drilling of the well or to otherwise commit their interests to the well.

6. Approval of the non-standard unit and the pooling of all interests in the Bone Spring formation underlying the proposed project area will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

7. Notice of this application has been given in accordance with Division rules as shown on Exhibit A.

WHEREFORE, Matador Production Company requests this application be set for hearing before an Examiner of the Oil Conservation Division on May 28, 2014, and after notice and hearing as required by law, the Division enter its order:

A. Creating a non-standard oil spacing and proration unit ("project area") in the Bone Spring formation comprised of S/2 S/2 of Section 13, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico;

B. Pooling all mineral interests in the Bone Spring formation underlying this non-standard spacing and proration unit/project area;

C. Designating Matador as operator of this unit and the well to be drilled thereon;

D. Authorizing Matador to recover its costs of drilling, equipping and completing this well;

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.


By: 
Earl E. DeBrine, Jr.
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Bank of America Centre
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

EXHIBIT A
MATADOR PRODUCTION COMPANY'S NOTICE LIST

Parties to be pooled:

Anastacia R. Blanco
2720 Shannon Dr.
S. San Francisco, CA 94080

Jamie P. Ruiz, representing Estate of Juan G. Ruiz
2217 Alton St.
Selma, CA 93662

Mourne Oil and Gas
605 Canon Ridge Rd.
Canon City, CO 81212

Ronald Rogers
19955 Indian Summer Lane
Monument, Colorado 80132

John A. Brown
15626 Ash St.
Hesperia, CA 92345

Barbara J. Swearingen and Kim A.,
Trustees of the Barbara J. Swearingen Trust
Dated August 13, 1999
2535 Stonepoint Lane
Salina, Kansas 67401

Dale M. Richardson
Notice by publication

Linda Sue Richardson, Individually
& as attorney in fact for Harry James Richardson
and Robert Dean Richardson
13363 East Asbury Drive, #104
Aurora, CO 80014

Evalyn Swearingen, Executrix of the Estate of
Howard L. Swearingen, Deceased
1250 North 50th Road 1252 50th Rd.
Jamestown, Kansas 66948 Jamestown, Kansas 66948

Julie J Martin
P.O. Box 10911
Southport, North Carolina 28461

Lois M. Durland
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Woodburn, OR 97071

Richard A. Swearingen
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Topeka, KS 66617

Gregory Collier
Notice by publication

James A. Collier III
1113 Shady Oaks Circle
McKinney, TX 75070

Craig Collins
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Suite 116
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Sidney M. Coryell, Jr.
Notice by publication

The Kenesaw Senior Center
P.O. Box G
Kenesaw, Nebraska 68956

Offsets:

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Oklahoma City, OK 73102

OXY USA, Inc.
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RSC Resources, LP
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Midland, TX 79707

HHC Consulting & Investments, LLC
2889 N. Garfield
Midland, Texas 79702

JTD LLC
415 W. Wall Street
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Texabec
Notified by Publication

CI St Clair LLC
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Midland, TX 79701

M. Brad Bennett
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Midland, TX 79710

Xplor Resources
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Carlsbad, NM 88220

MRC
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Midland, TX 79707

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Yvette Lara
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Carlsbad, NM 88220

Michelle Lara
310 N. Mesa
Carlsbad, NM 88220

Camilia Land, LLC
PO Box 51510
Midland, TX 79710

Cogent Energy, Inc.
6824 Island Circle
Midland, Texas 79707

Chevron Midcontinent
Attn: Sandy Stedman-Daniel
1400 Smith
Houston, TX 77002

Chevron USA
Attn: Sandy Stedman-Daniel
1400 Smith
Houston, TX 77002

Dinero Operating
P.O. Box 10505
Midland, TX 79702

PPC
10355 Centrepark Suite 100
Houston, TX 77043

CASE NO. 15301 : Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the S/2S S/2 of Section 13, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the Janie Conner 13-24S-28E RB #124H well, to be horizontally drilled. The producing area for this well will be 330 feet from the project area boundary. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. The Janie Conner 13-24S-28E RB #124H well is located approximately 17 miles southeast of Carlsbad, New Mexico.

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