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Case 15363

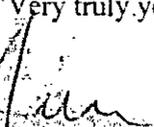
July 21, 2015

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing on behalf of Matador Production Company, is an application for compulsory pooling, etc., together with a proposed advertisement. Please set this matter for the August 20, 2015 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Matador Production Company

Parties Being Pooled

Yates Energy Corporation			c/o Fred G. Yates or Juduan Prichard (Landman) P.O. Box 2323 Roswell NM 88202- 2323
Jalapeno Corporation			c/o Harvey E. Yates, Jr. or Isabel Zhang (Landman) P.O. Box 1608 Albuquerque, NM 87103-1608.
Prime Energy Corporation			c/o Beverly A. Cummings, Executive Vice President 9821 Katy Freeway Suite 1050 Houston, TX 77024-6009
Roden Associates, Ltd.			c/o Ben Kinney 2603 Augusta, Suite 740 Houston, TX 77057
Roden Exploration Company, Ltd.			c/o Ben Kinney 2603 Augusta, Suite 740 Houston, TX 77057
Roden Participants, Ltd.			c/o Ben Kinney 2603 Augusta, Suite 740 Houston, TX 77057
S&C Construction Company			Steve Cosby P.O. Box 1509 Whitefish, MT 59937
Sherrfive, LP			Jeff Sherrick 812 Eagle Pointe Montgomery, TX 77316

Mary B. Attaya		5455 La Sierra Drive, Apt. 612 Dallas, TX 75231
Mary D. Hughes		c/o Taylor Hughes Mason 25 Highland Park Village, Suite 100 #819 Dallas, TX 75205
Edward G. Kadane		c/o Mike Gustofsen 4809 Cole Avenue, Suite 100, LB114 Dallas TX 75205
Matthew B. Kadane		c/o Mike Gustofsen 4809 Cole Avenue, Suite 100, LB114 Dallas TX 75205
Robert A. Kadane		518 17th Street, Suite 745 Denver, CO 80202
Brent Ray Robertson		8 Sleepy Hollow Wichita Falls, TX 76308
Chris Ann Willis		15955 Freemanville Road, Milton, GA 30004

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. A5363

APPLICATION

Matador Production Company applies for an order (i) approving a 154.28 acre non-standard oil spacing and proration unit in the Wolfcamp formation comprised of Lots 1-4 (the $W\frac{1}{2}W\frac{1}{2}$) of Section 31, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico, (ii), and (ii) pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an operator in the $W\frac{1}{2}W\frac{1}{2}$ of Section 31, and has the right to drill a well thereon.
2. Applicant proposes to drill the Airstrip 31 18 35 RN State Com. Well No. 201H to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the $W\frac{1}{2}W\frac{1}{2}$ of Section 31 to the well to form a non-standard 154.28 acre oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The well is a horizontal well with a surface location 150 feet from the south line and 330 feet from the west line, and a terminus 330 feet from the north line and 710 feet from the west line, of Section 31.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the $W\frac{1}{2}W\frac{1}{2}$ of Section 31 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests.

Therefore, applicant seeks an order pooling all mineral interest owners in the $W\frac{1}{2}W\frac{1}{2}$ of Section 31, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests underlying the $W\frac{1}{2}W\frac{1}{2}$ of Section 31 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Approving a non-standard oil spacing and proration unit (project area) in the Wolfcamp formation in the $W\frac{1}{2}W\frac{1}{2}$ of Section 31;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the $W\frac{1}{2}W\frac{1}{2}$ of Section 31;
- C. Designating applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the costs among the well's working interest owners;
- 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,



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Attorney for Matador Production Company

PROPOSED ADVERTISEMENT

Case No. 15363 :

Application of Matador Production Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a 154.28-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of Lots 1-4 (the W/2W/2) of Section 31, Township 18 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Airstrip 31 18 35 RN State Com. Well No. 201H, a horizontal well with a surface location in Lot 4, and a terminus in Lot 1, of Section 31. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 15 miles west-northwest of Monument, New Mexico.

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