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August 18, 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 September 17, 2015 Examiner hearing. Thank you.

Very truly yours,

  
James Bruce

Attorney for Matador Production Company

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Case 15372

Parties Being Pooled

Conquistador Council of the  
Boy Scouts of America  
c/o Bank of America, N.A.  
Suite 150  
2100 South Utica Avenue  
Tulsa, Oklahoma 74114

Anadarko Petroleum Corporation  
1201 Lake Robbins Drive  
The Woodlands, Texas 77380

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. 15372

APPLICATION

Matador Production Company ("Matador") (OGRID No. 228937) applies to the Oil Conservation Division, pursuant to the provisions of NMSA 1978 §§ 70-2-17, 18, for an order (i) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Wolfcamp formation comprised of the N/2N/2 of Section 25, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and (ii) pooling all mineral interests in the Wolfcamp formation underlying the proposed non-standard spacing and proration unit. In support of the application, Matador states:

1. Matador is the operator of subject lands and has the right to drill a well thereon.
2. Matador proposes to drill the Paul 25-24S-28E RB Well No. 221H (API No. 30-015-43018) to a depth sufficient to test the Wolfcamp formation. Matador seeks to dedicate the N/2N/2 of Section 25, in the Wolfcamp formation, to the proposed well to form a non-standard 160-acre, more or less, oil spacing and proration unit (project area). The unit is in the Pierce Crossing-Wolfcamp Pool (pool code 50373).
3. This well is a horizontal well with a surface location 359 feet from the North line and 217 feet from the West line, and a terminus 380 feet from the North line and 240 feet from the East line, of Section 25. The producing interval of the wellbore will be orthodox.

4. Matador in good faith sought, but has been unable to obtain, voluntary agreements from all interest owners in the Wolfcamp formation underlying the non-standard unit to participate in the drilling of the well or to otherwise commit their interests to the well. Therefore, applicant seeks an order pooling all mineral interest owners in the well unit.

5. Approval of the non-standard unit and the pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Matador Production Company requests this application be set for hearing before an Examiner of the Oil Conservation Division on September 17, 2015, 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 Wolfcamp formation comprised of N/2N/2 of Section 25, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit;
- C. Designating Matador as operator of the 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,



James Bruce

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*jamesbruc@aol.com*

Attorney for Matador Production Company

PROPOSED ADVERTISEMENT

Case No. 15372:

***Application of Matador Production Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the N/2N/2 of Section 25, Township 24 South, Range 28 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 will be dedicated to the Paul 25-24S-28E RB Well No. 221H, a horizontal well with a surface location in the NW/4NW/4, and a terminus in the NE/4NE/4, of Section 25. 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 8-1/2 miles south-southeast of Malaga, New Mexico.

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