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April 3, 2018

*Case 16082*

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

APR 03 2018 PM04:00

Dear Florene:

Enclosed for filing, on behalf of Matador Production Company, is an application for compulsory pooling, together with proposed advertisements. Please set this matter for the May 3, 2018 Examiner hearing. Thank you.

Very truly yours,

  
James Bruce

Attorney for Matador Production Company

Parties Being Pooled

Aurelio Murrillo and wife, Olivia Murrillo	1503 W Green	Carlsbad, NM 88220
Brandon Munoz, as his separate property	P.O. Box 1954	Carlsbad, NM 88220
Estate of Isaac Espinoza, deceased	4425 East Derrick Road	Carlsbad, NM 88220
Margaret McClure (f/k/a Margaret Roberson), as her separate property	C/O Lee Roberson 3305 North Grimes	Hobbs, NM 88240
Natividad Dominguez, as her separate property	4419 East Derrick Road	Carlsbad, NM 88220
Oak Valley Mineral and Land, LP	P.O. Box 50820	Midland, TX 79710
Raul Rodriguez, Jr., as his separate property	6011 Ruiz Road	Carlsbad, NM 88220
Tower Rock Royalties, LP	P.O. Box 5746	Austin, TX 78763
TROG Fund I, LP	P.O. Box 5746	Austin, TX 78764
Black Mountain Operating, LLC	500 Main St., Suite 1200	Fort Worth, TX 76102
Crown Oil Partners V, LP	P.O. Box 50820	Midland, TX 79710
Crump Energy Partners II, LLC	P.O. Box 50820	Midland, TX 79710
DSD Energy Resources, LLC	P.O. Box 229	Fort Worth, TX 76101
Marathon Oil Permian	5555 San Felipe St	Houston, TX 77056
Nadel and Gussman Delaware, LLC	15 East 5th Street STE 330	Tulsa, OK 74103
V-F Petroleum, Inc.	500 W. Texas Avenue	Midland, TX 79701

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION****APPLICATION OF MATADOR PRODUCTION COMPANY  
FOR COMPULSORY POOLING, EDDY COUNTY, NEW  
MEXICO.**Case No. 16082**APPLICATION**

Matador Production Company applies for an order approving a 320 acre standard gas spacing and proration unit in the Wolfcamp formation comprised of the E/2 of Section 1, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the well unit, and in support thereof, states:

1. Applicant is an operator in the E/2 of Section 1, and has the right to drill a well thereon.
2. Applicant proposes to drill the following wells to test the Wolfcamp formation:
  - (a) The Larry Wolfisch 01-23S-27E RB Well No. 204H, a horizontal well with a surface location in the SE/4SE/4 of Section 36, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and a terminus in the SE/4SE/4 of Section 1; and
  - (b) The Larry Wolfisch 01-23S-27E RB Well No. 224H, a horizontal well with a surface location in the SE/4SE/4 of Section 36, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and a terminus in the SE/4SE/4 of Section 1.

The producing interval of each well will be at orthodox locations.

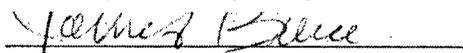
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E/2 of Section 1 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells 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 Wolfcamp formation in the E/2 of Section 1, pursuant to NMSA 1978 §70-2-17.

5. Approval of the spacing and proration unit, and the pooling of all mineral interests in the Wolfcamp formation underlying the E/2 of Section 1, 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. Pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 1;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in

Respectfully submitted,  
  
James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Matador Production Company

PROPOSED ADVERTISEMENT

Case No. 16082: *Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.* Matador Production Company seeks an order approving a 320 acre gas spacing and proration unit in the Wolfcamp formation underlying (the E/2 of Section 1, Township 23 South, Range 27 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the gas spacing and proration unit. The unit will be dedicated to (i) The Larry Wolfisch 01-23S-27E RB Well No. 204H, a horizontal well with a surface location in the SE/4SE/4 of Section 36, Township 22 South, Range 27 East, N.M.P.M., and a terminus in the SE/4SE/4 of Section 1; and (ii) The Larry Wolfisch 01-23S-27E RB Well No. 224H, a horizontal well with a surface location in the SE/4SE/4 of Section 36, Township 22 South, Range 27 East, N.M.P.M., and a terminus in the SE/4SE/4 of Section 1. The producing interval of each well will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 6 miles south-southwest of Carlsbad, New Mexico.

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