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

## APPLICATION OF MATADOR PRODUCTION COMPANY TO AMEND ORDER NO. R-21278, LEA COUNTY, NEW MEXICO.

## CASE NO. ORDER NO. R-21278

## **APPLICATION**

Matador Production Company ("Matador" or "Applicant"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to amend Order No. R-21278 ("Order") to allow for an extension of time for drilling the proposed initial well under the Order. In support of its application, Matador states:

1. Division Order No. R-21278, entered on April 28, 2020, in Case No. 21149, created a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Sections 16 and 21, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico (the "Unit"), and designated Matador as operator of the Unit.

2. Order No. R-21278 further pooled the uncommitted interests in the Bone Spring formation (Featherstone; Bone Spring pool [24250]) in the Unit and dedicated the Unit to the proposed initial **Uncle Ches 2116 Fed Com #122H well** (API No. 30-025-46432).

3. Applicant requests that Order No. R-21278 be re-opened and amended to allow Applicant additional time to commence drilling the well under the Order.

4. There is good cause for Applicant's request for an extension of time to drill. Specifically, the decline in commodity prices in 2020 caused by the global COVID pandemic and other economic factors led to Matador reducing its rig count, thereby causing Matador to delay its intended plans to develop the acreage subject to the Order. 5. Under the Order, Applicant would be required to commence drilling the well by April 28, 2021, and therefore, asks for the deadline to commence drilling the well be extended for a year, to April 28, 2022.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 4, 2021, and, after notice and hearing as required by law, the Division enter an order extending the time for Matador to commence drilling the proposed initial well under the Order.

Respectfully submitted,

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