

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

**APPLICATION OF MATADOR PRODUCTION
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Matador Production Company (“Matador” or “Applicant”) (OGRID No. 228937), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in a standard 80-acre vertical well spacing unit within the Strawn formation underlying the S/2 NE/4 of Section 14, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico. In support of this application, Applicant states:

1. Applicant is an interest owner in the subject acreage and has a right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing unit to its proposed **Monika 14-17-S-37E #1 well** (API No. PENDING), a vertical well to be completed at a non-standard location in the SW/4 NE/4 (Unit G) of said Section 14 to a depth sufficient to test the Strawn formation.
3. Special pool rules issued under Order No. R-6913, *et. seq.*, govern this acreage, which is dedicated to the Humble City; Strawn, South Pool (Pool Code 33500). The special pool rules provide for 80-acre vertical well spacing and for wells to be located within 150 feet of the center of a governmental quarter-quarter section.

4. Applicant will separately seek administrative approval for the proposed non-standard location.

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.

6. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

7. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this spacing unit should be pooled and Applicant should be designated the operator the proposed well and spacing unit.

WHEREFORE, Matador requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 3, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests within the Strawn formation;
- B. Designating Applicant as the operator of said spacing unit and well;
- C. Authorizing Applicant to recover its costs of drilling, equipping, completing, and recompleting the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and recompleting the well against any working interest owner who does not voluntarily participate in the drilling and recompleting of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: _____



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