

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

**APPLICATION OF MATADOR PRODUCTION
COMPANY FOR COMPULSORY POOLING,
LEA 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 spacing unit within the Strawn formation [Humble City; Strawn South (Pool Code 33500)] underlying the W/2 SW/4 of Section 8, Township 17 South, Range 38 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 **B. Byerley 08-17S-38E #1**, a directional well to be drilled and completed at a non-standard location in the NW/4 SW/4 (Unit L) of said Section 8 to a depth sufficient to test the Strawn formation.
3. Special pool rules issued under Order No. R-6913, *et. seq.*, for the Humble City; Strawn, South Pool require 80-acre 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 June 2, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests within the proposed spacing unit;
- 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,

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**ATTORNEYS FOR MATADOR PRODUCTION
COMPANY**

CASE _____: **Application of Matador Production Company for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in a standard 80-acre vertical well spacing unit within the Strawn formation underlying the W/2 SW/4 of Section 8, Township 17 South, Range 38 East, NMPM, Lea County, New Mexico. Applicant proposes to dedicate the above-referenced spacing unit to the **B. Byerley 08-17S-38E #1**, a directional well to be drilled and completed at a non-standard location in the NW/4 SW/4 (Unit L) of Section 8 to a depth sufficient to test the Strawn formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well, and a 200% charge for risk involved in drilling and recompleting said well. Said area is located approximately 5 miles northeast of Humble, New Mexico.