

**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, 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 the Bone Spring formation underlying a standard 280-acre spacing unit comprised of the N/2S/2 of Section 21 and the N/2SW/4 and NW/4SE/4 of Section 22, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of this application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Michael K 2122 Fed Com 123H** well to be drilled from a surface hole location in the SE/4SE/4 (Unit P) of Section 20 to a proposed bottom hole location in the NW/4SE/4 (Unit J) of Section 22.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject spacing unit.
4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

5. To allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of the proposed horizontal spacing unit.

WHEREFORE, Applicant requests that this matter be set for hearing on October 6, 2022, before an Examiner of the Oil Conservation Division, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the proposed horizontal well spacing unit and approving the initial wells thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing 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 completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

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**ATTORNEYS FOR OXY MATADOR PRODUCTION
COMPANY**

CASE _____: Application of Matador Production Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 280-acre spacing unit comprised of the N/2S/2 of Section 21 and the N/2SW/4 and NW/4SE/4 of Section 22, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be initially dedicated to the proposed **Michael K 2122 Fed Com 123H** well to be drilled from a surface hole location in the SE/4SE/4 (Unit P) of Section 20 to a proposed bottom hole location in the NW/4SE/4 (Unit J) of Section 22. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is approximately 12 miles northeast of Carlsbad, New Mexico.