DOCKET: OIL CONSERVATION DIVISION HEARINGS - Tuesday, October 8, 2024

8:30 a.m. - 1220 South St. Francis, Santa Fe, New Mexico 87505 and via MS Teams (login information below)

Virtual Attendance:

Click <u>HERE</u> to be connected to the meeting.

Dial-in by phone:

(505) 312-4308 Phone conference ID: 519 512 310#

Pre-hearing statements shall be filed no later than 4 business days prior to the hearing and in addition to the requirements of 19.15.4.13.B(1) NMAC, shall include the following: all evidentiary exhibits, documents, affidavits, and full-written testimony of any witness a party offers at the hearing. Exhibits must be sequentially marked on every page. Failure to timely file a complete pre-hearing statement may cause the Hearing Examiner to continue the hearing and/or impose sanctions up to and including the exclusion of late-filed evidence.

NOTICE: The hearing examiner may call the following cases in any order at their discretion.

	Case Number	Description
1.	24632	Application of Avant Natural Resources, LLC for Compulsory Pooling and Approval of an Overlapping Non-Standard Horizontal Spacing Unit, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) approving an overlapping 1,280- acre, more or less, non-standard horizontal spacing and proration unit composed of all of Sections 29 and 32, Township 18 South, Range 34 East, N.M.P.M.; and (2) pooling all uncommitted mineral interests in the Bone Spring Formation, but excluding the second bench of the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed wells to be dedicated to the horizontal spacing unit are the Daytona 29 Fed Com #301H, which is an oil well that will be horizontally drilled from a surface location in the NE/4NW/4 (Unit C) of Section 29 to a bottom hole location in the 1st bench of the Bone Spring Formation in the SW/4SW/4 (Unit M) of Section 32; Daytona 29 Fed Com #601H, which is an oil well that will be horizontally drilled from a surface location in the NE/4NW/4 (Unit C) of Section 32; Daytona 29 Fed Com #302H, which is an oil well that will be horizontally drilled from a surface location in the SI/4SW/4 (Unit N) of Section 32; Daytona 29 Fed Com #302H, which is an oil well that will be horizontally drilled from a surface location in the SI/4SW/4 (Unit N) of Section 32; Daytona 29 Fed Com #602H, which is an oil well that will be horizontally drilled from a surface location in the SI/4SW/4 (Unit N) of Section 32; Daytona 29 Fed Com #602H, which is an oil well that will be horizontally drilled from a surface location in the SI/4SW/4 (Unit A) of Section 29 to a bottom hole location in the SI/4SW/4 (Unit N) of Section 32; Daytona 29 Fed Com #303H, which is an oil well that will be horizontally drilled from a surface location in the SI/4SW/4 (Unit A) of Section 32; Daytona 29 Fed Com #304H, which is an oil well that will be horizontally drilled from a surface location in the SI/4SW/4 (Unit A) of Section 32; Daytona 29 Fed Com #304H,

Page 2 of 7

		Setting: Contested Hearing Joined with Cases: 24633, 24684, 24685, 24686, 24687, 24756, 24757, 24758, 24759, 24760, 24761, 24762, 24763, 24764, 24765, 24766, 24767
2.	24633	Application of Avant Natural Resources, LLC for Compulsory Pooling and Approving a Non-Standard Horizontal Spacing Unit and, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) approving a 1,280-acre, more or less, non-standard horizontal spacing and proration unit composed of all of Sections 29 and 32, Township 18 South, Range 34 East, N.M.P.M.; and (2) pooling all uncommitted mineral interests in the Wolfcamp Formation, designated as an oil pool, underlying said unit. The proposed wells to be dedicated to the horizontal spacing unit are the Daytona 29 Fed Com #006H, which is an oil well that will be horizontally drilled from a surface location in the NE/4NW/4 (Unit C) of Section 29 to a bottom hole location in the Wolfcamp Formation in the SW/4SW/4 (Unit M) of Section 32; Daytona 29 Fed Com #007H, which is an oil well that will be horizontally drilled from a surface location in the NE/4NW/4 (Unit C) of Section 29 to a bottom hole location in the Volfcamp Formation in the SE/4SW/4 (Unit N) of Section 32; Daytona 29 Fed Com #007H, which is an oil well that will be horizontally drilled from a surface location in the NE/4NW/4 (Unit C) of Section 29 to a bottom hole location in the Wolfcamp Formation in the SE/4SW/4 (Unit N) of Section 32; Daytona 29 Fed Com #008H, which is an oil well that will be horizontally drilled from a surface location in the NE/4NE/4 (Unit A) of Section 32; and Daytona 29 Fed Com #009H, which is an oil well that will be horizontally drilled from a surface location in the SE/4SE/4 (Unit A) of Section 29 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 32; and Daytona 29 Fed Com #009H, which is an oil well that will be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 32. The wells are orthodox in location, and the take points and laterals comply with Statewide Rules for setbacks. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual
		Setting: Contested Hearing Joined with Cases: 24632, 24684, 24685, 24686, 24687, 24756, 24757, 24758, 24759, 24760, 24761, 24762, 24763, 24764, 24765, 24766, 24767
3.	24684	Application of Magnum Hunter Production, Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in an interval of the Bone Spring formation, an oil pool, from the top of the First Bone Spring (at a depth of the stratigraphic equivalent of 7,760 measured feet) to a depth of the stratigraphic equivalent of 9,668 measured feet as identified on the Spectral Density Dual Spaced Neutron Log in the Matador Petroleum Corporation Zafiro State 32 Com 1 (API No. 30-025-34508) ("Bone Spring Interval") underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 S/2 of Sections 33 and 32, Township 18 South, Range 34 East; NMPM, Lea County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Turnpike 33-32 State Com 211H Well, an oil well, to be horizontally drilled from a surface location in SE/4 SE/4 (Unit P) of Section 33 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 32. Applicant seeks to designate Cimarex Energy Co. of Colorado as the operator of the well and unit. The completed interval and first take and last take points for the well will comply with setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 20.5 miles Southwest of Lovington, New Mexico.
		Setting: Contested Hearing Joined with Cases: 24632, 24633, 24685, 24686, 24687, 24756, 24757, 24758, 24759, 24760, 24761, 24762, 24763, 24764, 24765, 24766, 24767
4.	24685	Application of Magnum Hunter Production, Inc., for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in an interval of the Bone Spring formation, an oil pool, from the top of the First Bone Spring (at a depth of the stratigraphic equivalent of 7,760 measured feet) to a depth of the stratigraphic equivalent of 9,668 measured feet as identified on the Spectral Density Dual Spaced Neutron Log in the Matador Petroleum Corporation Zafiro State 32 Com 1 (API No. 30-025-34508) ("Bone Spring Interval") underlying a standard 320-acre, more or less,

Page 3 of 7

		horizontal spacing unit comprised of the N/2 S/2 of Sections 33 and 32, Township 18 South, Range 34 East; NMPM, Lea County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Turnpike 33-32 State Com 212H Well, an oil well, to be horizontally drilled from a surface location in SE/4 SE/4 (Unit P) of Section 33 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 32. Applicant seeks to designate Cimarex Energy Co. of Colorado as the operator of the well and unit. The completed interval and first take and last take points for the well will comply with setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 20.5 miles Southwest of Lovington, New Mexico. Setting: Contested Hearing Joined with Cases: 24632, 24633, 24684, 24686, 24687, 24756, 24757, 24758, 24759, 24760, 24761, 24762, 24763, 24764, 24765, 24766, 24767
5.	24686	Application of Magnum Hunter Production, Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the in an interval of the Bone Spring formation, an oil pool, from the top of the First Bone Spring (at a depth of the stratigraphic equivalent of 7,760 measured feet) to a depth of the stratigraphic equivalent of 9,668 measured feet as identified on the Spectral Density Dual Spaced Neutron Log in the Matador Petroleum Corporation Zafiro State 32 Com 1 (API No. 30-025-34508) ("Bone Spring Interval") underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 N/2 of Sections 33 and 32, Township 18 South, Range 34 East; NMPM, Lea County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Turnpike 33-32 State Com 213H Well, an oil well, to be horizontally drilled from a surface location in SE/4 NE/4 (Unit H) of Section 33 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 32. Applicant seeks to designate Cimarex Energy Co. of Colorado as the operator of the well and unit. The completed interval and first take and last take points for the well will comply with setback requirements under statewide rules. The unit overlaps with an existing vertical well, the Union State Com #001 (API 30-025-24992) in the W/2 NW/4 of Section 32, for which Applicant will seek approval. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; and a 200% charge for the risk involved in drilling and completing the well and lands are located approximately 20.5 miles Southwest of Lovington, New Mexico.
		Setting: Contested Hearing Joined with Cases: 24632, 24633, 24684, 24685, 24687, 24756, 24757, 24758, 24759, 24760, 24761, 24762, 24763, 24764, 24765, 24766, 24767
6.	24687	Application of Magnum Hunter Production, Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in an interval of the Bone Spring formation, an oil pool, from the top of the First Bone Spring (at a depth of the stratigraphic equivalent of 7,760 measured feet) to a depth of the stratigraphic equivalent of 9,668 measured feet as identified on the Spectral Density Dual Spaced Neutron Log in the Matador Petroleum Corporation Zafiro State 32 Com 1 (API No. 30-025-34508) ("Bone Spring Interval") underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Sections 33 and 32, Township 18 South, Range 34 East; NMPM, Lea County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Turnpike 33-32 State Com 214H Well, an oil well, to be horizontally drilled from a surface location in SE/4 NE/4 (Unit H) of Section 33 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 32. Applicant seeks to designate Cimarex Energy Co. of Colorado as the operator of the well and unit. The completed interval and first take and last take points for the well will comply with setback requirements under statewide rules. This unit overlaps with an existing vertical well, the Union State Com #001 (API 30-025-24992) in the W/2 NW/4 of Section 32, for which the Applicant will seek approval. Also to be considered will be the cost of drilling and completing the well and lands are located approximately 20.5 miles Southwest of Lovington, New Mexico.

Page 4 of 7

		Joined with Cases: 24632, 24633, 24684, 24685, 24686, 24756, 24757, 24758, 24759, 24760, 24761, 24762, 24763, 24764, 24765, 24766, 24767
7.	24756	Application of Magnum Hunter Production, Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Wolfcamp formation, an oil pool, underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 S/2 of Sections 33 and 32, Township 18 South, Range 34 East; NMPM, Lea County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Turnpike 33-32 State Com 701H Well, an oil well, to be horizontally drilled from a surface location in SE/4 SE/4 (Unit P) of Section 33 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 32. Applicant seeks to designate Cimarex Energy Co. of Colorado as the operator of the well and unit. The completed interval and first take and last take points for the well will comply with setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 20.5 miles Southwest of Lovington, New Mexico.
		24761, 24762, 24763, 24764, 24765, 24766, 24767
8.	24757	Application of Magnum Hunter Production, Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Wolfcamp formation, an oil pool, underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 S/2 of Sections 33 and 32, Township 18 South, Range 34 East; NMPM, Lea County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Turnpike 33-32 State Com 702H Well, an oil well, to be horizontally drilled from a surface location in SE/4 SE/4 (Unit P) of Section 33 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 32. Applicant seeks to designate Cimarex Energy Co. of Colorado as the operator of the well and unit. The completed interval and first take and last take points for the well will comply with setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the well and lands are located approximately 20.5 miles Southwest of Lovington, New Mexico.
		Setting: Contested Hearing Joined with Cases: 24632, 24633, 24684, 24685, 24686, 24687, 24756, 24758, 24759, 24760, 24761, 24762, 24763, 24764, 24765, 24766, 24767
9.	24758	Application of Magnum Hunter Production, Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Wolfcamp formation, an oil pool, underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 N/2 of Sections 33 and 32, Township 18 South, Range 34 East; NMPM, Lea County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Turnpike 33-32 State Com 703H Well, an oil well, to be horizontally drilled from a surface location in SE/4 NE/4 (Unit H) of Section 33 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 32. Applicant seeks to designate Cimarex Energy Co. of Colorado as the operator of the well and unit. The completed interval and first take and last take points for the well will comply with setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 20.5 miles Southwest of Lovington, New Mexico.
		Joined with Cases: 24632, 24633, 24684, 24685, 24686, 24687, 24756, 24757, 24759, 24760, 24761, 24762, 24763, 24764, 24765, 24766, 24767
10.	24759	Application of Magnum Hunter Production, Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Wolfcamp formation, an oil pool, underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Sections 33 and 32,

Page 5 of 7

		Township 18 South, Range 34 East; NMPM, Lea County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Turnpike 33-32 State Com 704H Well, an oil well, to be horizontally drilled from a surface location in SE/4 NE/4 (Unit H) of Section 33 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 32. Applicant seeks to designate Cimarex Energy Co. of Colorado as the operator of the well and unit. The completed interval and first take and last take points for the well will comply with setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 20.5 miles Southwest of Lovington, New Mexico.
11.	24760	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the W2W2 of Sections 28 and 33, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Bobby Pickard State Com 121H well to be horizontally drilled from a surface location on the SW4 of Section 21, with proposed first take point in the NW4NW4 (Unit D) of Sections 28 and a last take point in the SW4SW4 (Unit M) of Section 33. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 20 miles southwest of Lovington, New Mexico.
		Joined with Cases: 24632, 24633, 24684, 24685, 24686, 24687, 24756, 24757, 24758, 24759, 24761, 24762, 24763, 24764, 24765, 24766, 24767
12.	24761	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the E2W2 of Sections 28 and 33, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Bobby Pickard State Com 122H well to be horizontally drilled from a surface location on the SW4 of Section 21, with proposed first take point in the NE4NW4 (Unit C) of Sections 28 and a last take point in the SE4SW4 (Unit N) of Section 33. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 20 miles southwest of Lovington, New Mexico. Setting: Contested Hearing
		Joined with Cases: 24632, 24633, 24684, 24685, 24686, 24687, 24756, 24757, 24758, 24759, 24760, 24762, 24763, 24764, 24765, 24766, 24767
13.	24762	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the W2E2 of Sections 28 and 33, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Bobby Pickard State Com 123H well to be horizontally drilled from a surface location on the SW4 of Section 21, with proposed first take point in the NW4NE4 (Unit B) of Sections 28 and a last take point in the SW4SE4 (Unit O) of Section 33. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 20 miles southwest of Lovington, New Mexico.
		Joined with Cases: 24632, 24633, 24684, 24685, 24686, 24687, 24756, 24757, 24758, 24759, 24760, 24761, 24763, 24764, 24765, 24766, 24767
14.	24763	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico.

Page 6 of 7

		Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the E2E2 of Sections 28 and 33, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Bobby Pickard State Com 124H well to be horizontally drilled from a surface location on the SW4 of Section 21, with proposed first take point in the NE4NE4 (Unit P) of Sections 28 and a last take point in the SE4SE4 (Unit P) of Section 33. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 20 miles southwest of Lovington, New Mexico.
15.	24764	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the W2W2 of Sections 28 and 33, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Bobby Pickard State Com 241H well to be horizontally drilled from a surface location in the SW4 of Section 21, with a first take point in the NW4NW4 (Unit D) of Section 28 and a last take point in the SW4SW4 (Unit M) of Section 33. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 20 miles southwest of Lovington, New Mexico.
		Setting: Contested Hearing Joined with Cases: 24632, 24633, 24684, 24685, 24686, 24687, 24756, 24757, 24758, 24759, 24760, 24761, 24762, 24763, 24765, 24766, 24767
16.	24765	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the E2W2 of Sections 28 and 33, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Bobby Pickard State Com 242H well to be horizontally drilled from a surface location in the SW4 of Section 21, with a first take point in the NE4NW4 (Unit C) of Section 28 and a last take point in the SE4SW4 (Unit N) of Section 33. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 20 miles southwest of Lovington, New Mexico.
		Setting: Contested Hearing Joined with Cases: 24632, 24633, 24684, 24685, 24686, 24687, 24756, 24757, 24758, 24759, 24760, 24761, 24762, 24763, 24764, 24766, 24767
17.	24766	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the E2E2 of Sections 28 and 33, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Bobby Pickard State Com 244H well to be horizontally drilled from a surface location in the SW4 of Section 21, with a first take point in the NE4NE4 (Unit A) of Section 28 and a last take point in the SE4SE4 (Unit P) of Section 33. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 20 miles southwest of Lovington, New Mexico.
		Joined with Cases: 24632, 24633, 24684, 24685, 24686, 24687, 24756, 24757, 24758, 24759, 24760, 24761, 24762, 24763, 24764, 24765, 24767
18.	24767	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico.

Page 7 of 7

Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the W2E2 of Sections 28 and 33, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Bobby Pickard State Com 243H well to be horizontally drilled from a surface location in the SW4 of Section 21, with a first take point in the NW4NE4 (Unit B) of Section 28 and a last take point in the SW4SE4 (Unit O) of Section 33. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 20 miles southwest of Lovington, New Mexico. Setting: Contested Hearing Joined with Cases: 24632, 24633, 24684, 24685, 24686, 24687, 24756, 24757, 24758, 24759, 24760, 24761, 24762, 24763, 24764, 24765, 24766