

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING OCTOBER 31, 2024**

CASE NO. 24866

HUNEKE FED COM #137H WELL

LEA COUNTY, NEW MEXICO



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

**APPLICATION OF MATADOR PRODUCTION TO
EXTEND THE DRILLING DEADLINE UNDER ORDER R-22395-A,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 24866
ORDER NO. R-22395-A**

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

**APPLICATION OF MATADOR PRODUCTION COMPANY
TO EXTEND THE DRILLING DEADLINE UNDER ORDER R-22395,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24866

APPLICATION

Matador Production Company (“Matador” or “Applicant”), through its undersigned attorneys, files this application with the Oil Conservation Division to extend the drilling deadline under compulsory pooling Order No. R-22395. In support of its application, Matador states:

1. On November 22, 2022, the Division entered Order R-22395 in Case 22571 pooling the Bone Spring formation underlying a standard 320-acre horizontal well spacing unit comprised of the W2SE4 of Section 18, the W2E2 of Section 19, and the W2NE4 of Section 30, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico (the “Pooling Order”). Matador is the designated operator under the Pooling Order and the pooled spacing unit is initially dedicated to the proposed **Huneke Fed Com 137H** well.

2. In November of 2023, Matador filed an application in Case 23895 to extend the drilling deadline, noting that the drilling permit filed with the Bureau of Land Management has not been approved. Following a public hearing on the request, the Division issued order R-22395-A extending until November 22, 2024, the period to drill the proposed well.

3. As of the filing of this application, the drilling permit filed with the Bureau of Land Management remains pending for approval.

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Exhibit No. A

Submitted by: Matador Production Company
Hearing Date: October 31, 2024
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4. Good cause exists to extend the deadline to commence drilling the initial well under the Pooling Order.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 10, 2024, and, after notice and hearing as required by law, the Division enter an order extending until November 22, 2025, the deadline to commence drilling the initial well under Order R-22395.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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**ATTORNEYS FOR MATADOR PRODUCTION
COMPANY**

CASE _____:

Application of Matador Production Company to Extend the Drilling Deadline Under Order R-22395, Lea County, New Mexico. Applicant in the above-styled cause seeks an extension of time to drill the initial well under pooling Order No. R-22395. This Order pooled the Bone Spring formation underlying a standard 320-acre horizontal well spacing unit comprised of the W2SE4 of Section 18, the W2E2 of Section 19, and the W2NE4 of Section 30, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Matador is the designated operator under the pooling order and the pooled spacing unit is initially dedicated to the proposed **Huneke Fed Com 137H** well. Said area is located 13 miles southeast of Malaga, New Mexico.

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
MATADOR PRODUCTION COMPANY**

**CASE NO. 23895
ORDER NO. R-22395-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on December 7, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Matador Production Company (“Operator”) submitted an application (“Application”) requesting an extension to drill the well(s) as required by Order R-22395, as amended (“Order”).
2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
3. Operator has demonstrated good cause to extend the deadlines in the Order.
4. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

5. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
6. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
7. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

ORDER

8. The period to drill the well(s) is extended until November 22, 2024.
9. This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend the Order for good cause shown.

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10. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.
11. The remaining provisions of the Order remain in force or effect.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



DYLAN M FUGE
DIRECTOR (ACTING)
DMF/hat

Date: 1/17/2024

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**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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**APPLICATION OF MATADOR PRODUCTION COMPANY TO
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**CASE NO. 24866
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AFFIDAVIT OF DAVID JOHNS

David Johns, of lawful age and being first duly sworn, declares as follows:

1. My name is David Johns. I work MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a Landman.

2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by Matador in this case, and I am familiar with the status of the lands in the subject area.

4. On November 22, 2022, the Division entered Order No. R-22395 (“Pooling Order”) in Case No. 22571 pooling the uncommitted interests in the Bone Spring formation (WC-025 G-08 S253534O; Bone Spring [97088]) underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 SE/4 of Section 18, the W/2 E/2 of Section 19, and the W/2 NE/4 of Section 30, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Matador is the designated operator under the Pooling Order and the pooled spacing unit is initially dedicated to the proposed **Huneke Fed Com 137H** well (API No. 30-025-PENDING).

5. On January 17, 2024, the Division entered Order No. R-22395-A, extending the deadline to commence drilling the initial well under the Pooling Order under November 22, 2024.

6. Matador is eager to develop this acreage and has previously filed its application for a federal APD for the initial well in October 2021. Matador has been unable to drill the initial well yet because our federal APD has not been approved. We understand the permit approval was delayed after third-party litigation was initiated against the Bureau of Land Management regarding certain of its permitting approval processes. We understand the Bureau of Land Management now has a process in place for the review and approval of the drilling permits that were implicated in the litigation and we are optimistic that we will receive an approved drilling permit during the requested extension period of the pooling order. We had anticipated that the federal APD would have been approved in time to commence drilling within the current deadline and have started receiving approvals of other federal permits that had similarly been delayed during the above-referenced third-party litigation; however, since this permit has not yet been approved Matador has filed this application.

7. Once Matador's previously filed federal APD is approved, Matador intends to promptly drill the initial well under the order. Good cause therefore exists to extend the deadline to commence drilling under the order for a year, until November 22, 2025.

8. There are no additional changes to the working interest parties that remain subject to the pooling order.

9. None of the working interest owners that remain subject to the pooling order has been asked at this time to make an election on the applicable well, or to pay their estimated share of the costs to drill, complete and equip the applicable well.

10. The granting of this application will prevent waste and protect correlative rights.

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**SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of Matador Production Company (“Matador”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this extension application was sent by certified mail to the locatable affected parties on the date set forth in the letters attached hereto.

3. The spreadsheets attached hereto contain the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of the notice letters as of October 21, 2024.

5. I caused a notice to be published to all parties subject to this extension proceeding.

6. Affidavits of publication from the publication’s legal clerk with a copy of the notices of publication are attached herein.

7. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Matador Production Company
Hearing Date: October 31, 2024
Case No. 24866**



Paula M. Vance

10/23/24

Date



Michael H. Feldewert
Partner
Phone (505) 988-4421
mfeldewert@hollandhart.com

September 20, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS THAT REMAIN SUBJECT TO POOLING ORDER

Re: Application of Matador Production Company to Extend the Drilling Deadline Under Order R-22395, Lea County, New Mexico: *Huneke Fed Com 137H*

Ladies & Gentlemen:

This letter is to advise you that Matador Production Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on October 10, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact David Johns at (972) 619-1259 or at djohns@matadorresources.com.

Sincerely,

Michael H. Feldewert
ATTORNEY FOR MATADOR PRODUCTION COMPANY

Location
110 North Guadalupe, Suite 1
Santa Fe, NM 87501-1849

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Holland & Hart LLP Anchorage Aspen Billings Boise Boulder Cheyenne Denver Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C.

MRC - Huneke 137H, 213H wells - Case nos. 24866 and 24868
 Postal Delivery Report

9414811898765487001391	ZPZ Delaware I LLC	2000 Post Oak Blvd Ste 100HOUSTON	Houston	TX	77056-4499	Your item was delivered to an individual at the address at 2:58 pm on September 26, 2024 in HOUSTON, TX 77056.
9414811898765487001384	John & Theresa Hillman Family Properties, LP	PO Box 50187	Midland	TX	79710-0187	Your item was picked up at a postal facility at 10:46 am on September 27, 2024 in MIDLAND, TX 79705.
9414811898765487001339	Manix Royalty, Ltd.	PO Box 2818	Midland	TX	79702-2818	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
September 24, 2024
and ending with the issue dated
September 24, 2024.


Publisher

Sworn and subscribed to before me this
24th day of September 2024.


Business Manager

My commission expires

January 29, 2027
STATE OF NEW MEXICO
(Seal) NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

LEGAL LEGAL

LEGAL NOTICE
September 24, 2024

Case No. 24866: Application of Matador Production Company to Extend the Drilling Deadline Under Order R-22395, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: ZPZ Delaware I LLC; John & Theresa Hillman Family Properties, LP; Manix Royalty, Ltd. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on October 10, 2024, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an extension of time to drill the initial well under pooling Order No. R-22395. This Order pooled the Bone Spring formation underlying a standard 320-acre horizontal well spacing unit comprised of the W2SE4 of Section 18, the W2E2 of Section 19, and the W2NE4 of Section 30, Township 24 South, Range 36 East, NMMPM, Lea County, New Mexico. Matador is the designated operator under the pooling order and the pooled spacing unit is initially dedicated to the proposed **Huneke Fed Com 137H** well. Said area is located 13 miles southeast of Malaga, New Mexico. **#00294320**

67100754

00294320

HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
SANTA FE, NM 87501

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. E
Submitted by: Matador Production Company
Hearing Date: October 31, 2024
Case No. 24866