

**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”), 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 the Morrow formation underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico. In support of its application, Matador states:

1. An affiliate entity of Matador (OGRID No. 228937) is a working interest owner in the proposed spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced spacing unit to the initial **Colonel R. Howard Com #1H well** (API No. 30-015-42703) that has been drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 23.
3. The Division issued Administrative Order NSL-7631 approving the non-standard location of this well.
4. 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.
5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. 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 of the initial vertical well and this vertical spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 3, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the vertical spacing unit in the Morrow formation and approving the initial well thereon;
- B. Designating Applicant as operator of this spacing unit and the vertical well that has been 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,

HOLLAND & HART LLP



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