

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

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISON TO CONSIDER:**

**APPLICATIONS OF MATADOR PRODUCTION
COMPANY FOR COMPULSORY POOLING,
EDDY COUNY, NEW MEXICO.**

CASE Nos. 21543 and 21630

**APPLICATIONS OF FLAT CREEK RESOURCES,
LLC, FOR A HORIZONTAL SPACING UNIT AND
COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO.**

CASE Nos. 21560 and 21747

ORDER No. R-21800

APPLICATION FOR HEARING *DE NOVO*

Flat Creek Resources, LLC, (“Flat Creek”) is a party of record adversely affected by Order No. R-21800 rendered by the New Mexico Oil Conservation Division (“Division”) on August 26, 2021, in the above-referenced cases that were consolidated for hearing before the Division. Pursuant to NMSA 1978, Section 70-2-13, Flat Creek requests that the matters raised in these cases be heard *de novo* before the Oil Conservation Commission.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage
William E. Zimsky
Andrew D. Schill
214 McKenzie Street
Santa Fe, New Mexico 87501

Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
bill@abadieschill.com
andrew@abadieschill.com

Attorneys for Flat Creek Resources, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Commission and was served on counsel of record via electronic mail on September 23, 2021:

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Attorneys for Matador Production Company
Post Office Box 2208
Santa Fe, NM 87504
505-998-4421
505-983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhard.com
jbroggi@hollandhart.com
kaluck@hollandhart.com
Attorneys for Matador Resources Company

/s/ Darin C. Savage

Darin C. Savage

Proposed notice:

Application of Flat Creek Resources, LLC, for a Hearing De Novo Re: New Mexico Oil Conservation Order No. R-21800: Flat Creek Resources, LLC, is a party of record adversely affected by Order No. R-21800 rendered by the New Mexico Oil Conservation Division on August 26, 2021, in Case Nos. 21560, 21747, 21543, and 21630, that were consolidated for hearing before the Division.

Case No. 21560 (De Novo): *Application of Flat Creek Resources, LLC, for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico.* Applicant in the above-styled cause seeks an order from the Division: (1) establishing a 480-acre, more or less, non-standard horizontal spacing and proration unit comprised of the N/2 and N/2 S/2 of Section 23, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico and (2) pooling all mineral interests in the Wolfcamp formation, a gas field, underlying the unit. Said horizontal spacing unit is to be dedicated to 3 wells. Flat Creek proposes the **Thirteen Seconds 23 Fed-Fee 701H Well**, to be horizontally drilled from a surface location in NW/4 NW/4 (Unit D) of Section 23 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 23; the **Thirteen Seconds 23 Fed-Fee 702H Well**, to be horizontally drilled from a surface location in NW/4 NW/4 (Unit D) of Section 23 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 23; and the **Thirteen Seconds 23 Fed-Fee 703H Well**, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 23 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 23. The completed intervals for the proposed wells will be non-standard in relation to the setback requirements imposed by the Special Rules for the Purple Sage Gas Pool, Order No. R-142. Flat Creek will apply administratively for approval of the non-standard location, as well as the non-standard proration and spacing unit. Also to be considered will be approval of an overlapping well spacing unit for the S/2 of Section 23 to account for the existing Norris Thornton Com RB #204H well (API No. 30-105-44659), pursuant to NMAC 19.15.16.15B(9)(b); the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 3 miles west of Loving, New Mexico.

Case No. 21747 (De Novo): *Application of Flat Creek Resources, LLC, for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico.* Applicant in the above-styled cause seeks an order from the Division: (1) establishing a 320-acre, more or less, standard horizontal spacing and proration unit comprised of the N/2 of Section 23, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico and (2) pooling all mineral interests in the Wolfcamp formation, a gas field, underlying the unit. Said horizontal spacing unit is to be dedicated to two wells. Flat Creek proposes the **Thirteen Seconds 23 Fed-Fee 701H Well**, to be horizontally drilled from a surface location in NW/4 NW/4 (Unit D) of Section 23 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 23; and the **Thirteen Seconds 23 Fed-Fee 702H Well**, to be horizontally drilled from a surface location in NW/4 NW/4 (Unit D) of Section 23 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 23. The completed intervals for the proposed wells will be nonstandard in relation to the setback requirements imposed by the Special Rules for the Purple Sage Gas Pool. Flat Creek will apply administratively for approval of the nonstandard location. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 3 miles west of Loving, New Mexico. The application in Case No. 21747 was submitted as a contingency plan for the N/2 of Section 23 if the

application in Case No. 21560 should be denied, and the focus of the hearing de novo is a reconsideration of the application No. 21560 as the original development plan.

Case No. 21543 (De Novo): *Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.* Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Norris Thornton Com RB #204H well (API No. 30-015-44659) to be drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 23 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 23. The completed interval of the well will comply with the setback requirements of the Special Rules for the Purple Sage Wolfcamp Pool. Also to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, as well as actual 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 located approximately 8 miles south of Carlsbad, New Mexico.

Case No. 21543 (De Novo): *Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico.* Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico. The above-referenced unit will be dedicated to the following proposed initial wells: (1) the Colonel R. Howard Fed Com #201H well, to be drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 23 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 23; and (2) the Colonel R. Howard Fed Com #202H well, to be drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 23 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 23. The completed interval of the well will comply with the setback requirements of the Special Rules for the Purple Sage Wolfcamp Pool. Also to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, as well as actual 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 located approximately 8 miles south of Carlsbad, New Mexico.