

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

**APPLICATION OF MATADOR PRODUCTION COMPANY FOR  
APPROVAL OF A NON-STANDARD SPACING UNIT AND  
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. \_\_\_\_\_

**APPLICATION**

Matador Production Company, (“Matador”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division for an order (a) approving a 670.38 acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation comprised of Lots 1-8 of irregular Sections 1 and 2, Township 21 South, Range 28 East, and Lots 3-6 of irregular Section 6, Township 21 South, Range 29 East, NMPM, Eddy County, New Mexico (the N/2 N/2 equivalent) and (b) pooling all uncommitted mineral interests in this non-standard horizontal well spacing unit. In support of this application, Matador states:

1. An affiliate of Matador Production Company (OGRID No. 228937) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. Matador seeks to initially dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- **Simon Camamile 0206 Fed Com 111H and Simon Camamile 0206 Fed Com 121H** to be drilled from a surface location within Lot 5 of irregular Section 2, T-21-S, R-28-E to a proposed bottom hole location within Lot 3 of irregular Section 6, T-21-S, R-29-E.

- **Simon Camamile 0206 Fed Com 132H** to be drilled from a surface location within Lot 5 of irregular Section 2, T-21-S, R-28-E to a proposed bottom hole location within Lot 3 of irregular Section 6, T-21-S, R-29-E.
- **Simon Camamile 0206 Fed Com 112H** and **Simon Camamile 0206 122H** wells to be drilled from a surface location within Lot 5 of irregular Section 2, T-21-S, R-28-E to a proposed bottom hole location within Lot 6 of irregular Section 6, T-21-S, R-29-E.

3. This 670.38-acre non-standard horizontal well spacing unit is necessitated by the unique land configuration in this area and is the equivalent of the N/2 N/2 of these irregular sections of land.

4. Matador has sought and been unable to obtain voluntary agreement for the development of these lands from all mineral interest owners in the subject spacing unit.

5. Approval of this non-standard horizontal well spacing unit and the pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Matador requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 1, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the non-standard horizontal well spacing unit and pooling all uncommitted interests therein;
- B. Designating Matador Production Company operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Matador 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% penalty for the risk assumed by Matador 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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