

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

**APPLICATION OF MATADOR PRODUCTION
COMPANY TO AMEND ORDER NO. R-22041,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____
ORDER NO. R-22041

APPLICATION

Matador Production Company (“Matador” or “Applicant”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to amend Order No. R-22041 (“Order”) to allow for an extension of time for drilling the proposed initial wells under the Order. In support of its application, Matador states:

1. Division Order No. R-22041, entered on February 23, 2022, in Case No. 22204, created a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 S/2 of Section 13, Township 24 South, Range 28 East, and the N/2 S/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico (the “Unit”), and designated Matador as operator of the Unit.

2. Order No. R-22041 further pooled the uncommitted interests in the Bone Spring formation (Pierce Crossing; Bone Spring [50371]) in the Unit and dedicated the Unit to the proposed initial **Dr. Ellis #113H** (API No. 30-015-49223) and **Dr. Ellis #123H** well (API No. 30-015-49222).

3. Applicant requests that Order No. R-22041 be re-opened and amended to allow Applicant additional time to commence drilling the well under the Order.

4. There is good cause for Applicant’s request for an extension of time to drill. Matador is also the operator of, and has received approved compulsory pooling orders

regarding the Bone Spring formation in, the adjacent spacing units, being (i) the N/2 N/2 of Section 13, Township 24 South, Range 28 East, and the N/2 N/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico (NMOCD Order No. R-22045); (ii) the S/2 N/2 of Section 13, Township 24 South, Range 28 East, and the S/2 N/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico (NMOCD Order No. 22046); and (iii) the S/2 S/2 of Section 13, Township 24 South, Range 28 East, and the S/2 S/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico (NMOCD Order No. 22042).

5. Matador plans to co-develop the initial wells in each of the above-referenced spacing units along with the spacing unit under Order No. R-22041, in an effort to prevent waste and allow for more efficient development. However, although this application here (Order No. R-22041) does not involve Federal acreage, the other three spacings units do require Federal APD (Order Nos. R-22045, R-22046, and R-22042), which have not yet been approved after Matador applied for Federal APDs in April 2022. Matador has separately filed applications with the NMOCD to extend its compulsory pooling orders for those other three spacing units. Accordingly, good cause exists for the extension requested in this application to allow time for those Federal APDs to be approved and to allow for the co-development of all four spacing units, thereby preventing waste and allowing for more efficient development.

6. Under the Order, Applicant would be required to commence drilling the well by February 24, 2023, and therefore, asks for the deadline to commence drilling the well be extended for a year, to February 24, 2024.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 5, 2023, and, after notice and hearing as required by law, the Division enter an order extending the time for Matador to commence drilling the proposed initial wells under the Order.

Respectfully submitted,

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**ATTORNEYS FOR MATADOR PRODUCTION
COMPANY**

CASE _____ : **Application of Matador Production Company to Amend Order No. R-22041, Eddy County, New Mexico.** Applicant in the above-styled cause seeks a year extension of time for drilling the well under Order No. R-22041. The Unit is comprised of the N/2 S/2 of Section 13, Township 24 South, Range 28 East, and the N/2 S/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. Order No. R-22041 pooled the uncommitted interests in the Bone Spring formation and dedicated the Unit to the proposed initial **Dr. Ellis #113H** and **Dr. Ellis #123H** wells, both to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 14, Township 24 South, Range 28 East, to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 18, Township 24 South, Range 29 East. Said area is located 12 miles west of Malaga, New Mexico.