

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING AUGUST 8, 2024**

CASE NO. 24693

LONNIE KING FED COM #135H WELL

LEA COUNTY, NEW MEXICO



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

**APPLICATION OF MATADOR PRODUCTION COMPANY TO
AMEND ORDER NO. R-22224-A TO ALLOW
ADDITIONAL TIME TO COMMENCE DRILLING,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 24693
ORDER NO. R-22224-A**

TABLE OF CONTENTS

- **Matador Exhibit A:** Extension Applications
- **Matador Exhibit B:** Original Pooling Orders
- **Matador Exhibit C:** Self-Affirmed Statement of David Johns, Landman
- **Matador Exhibit D:** Self-Affirmed Statement of Notice
- **Matador Exhibit E:** Affidavit of Publication

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

APPLICATION OF MATADOR PRODUCTION COMPANY
TO AMEND ORDER R-22224-A TO ALLOW
ADDITIONAL TIME TO COMMENCE DRILLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 24693
ORDER NO. R-22224-A

APPLICATION

Matador Production Company (“Matador” or “Applicant”), through its undersigned attorneys, files this application with the Oil Conservation Division to amend Order R-22224-A to allow additional time to commence drilling the initial well authorized by the pooling order. In support of its application, Matador states:

1. On August 29, 2022, the Division issued Order R-22224 in Case No. 22417, creating a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation (WC-025 G-08 S253534O; Bone Spring [97088]) comprised of the W/2 SW/4 of Section 18, the W/2 W/2 of Section 19, and the W/2 NW/4 of Section 30, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico (the “Unit”). Matador is the designated operator of the Unit and Order R-22224 dedicates the Unit to the proposed **Lonnie King Fed Com 135H** well.

2. On September 11, 2023, the Division issued Order No. R-22224-A extending the time to commence drilling the initial well to August 29, 2024.

3. Good cause now exists to extend the drilling deadline to August 29, 2025.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: Matador Production Company
Hearing Date: August 8, 2024
Case No. 24693

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 8, 2024, and, after notice and hearing as required by law, the Division enter an order extending the time for Matador to commence drilling the initial well authorized by Order R-22224.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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**ATTORNEYS FOR MATADOR PRODUCTION
COMPANY**

CASE _____: **Application of Matador Production Company to Amend Order R-22224-A to Allow Additional Time to Commence Drilling, Lea County, New Mexico.** Applicant in the above-styled cause seeks a year extension of the time to commence drilling the well authorized by Order No. R-22224, which pooled the Bone Spring formation underlying the W/2 SW/4 of Section 18, the W/2 W/2 of Section 19, and the W/2 NW/4 of Section 30, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Order No. R-22224 dedicated this pooled horizontal well spacing unit to the proposed **Lonnie King Fed Com 135H** well, to be drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 30, to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 18. Said area is located approximately 9 miles northwest of Jal, 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. 23651
ORDER NO. R-22224-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on August 3, 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-22224, 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 August 29, 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.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
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Case No. 24693**

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
DMF/hat

Date: 9/11/2023

CASE NO. 23651
ORDER NO. R-22224-A

Page 2 of 2

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

**APPLICATION OF MATADOR PRODUCTION COMPANY
TO AMEND ORDER R-22224-A TO ALLOW ADDITIONAL
TIME TO COMMENCE DRILLING, LEA COUNTY, NEW MEXICO.**

**CASE NO. 24693
ORDER NO. R-22224-A**

SELF-AFFIRMED STATEMENT 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 an Area Land Manager.

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 August 29, 2022, the Division issued Order R-22224 in Case No. 22417, creating a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation (WC-025 G-08 S253534O; Bone Spring [97088]) comprised of the W/2 SW/4 of Section 18, the W/2 W/2 of Section 19, and the W/2 NW/4 of Section 30, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico (the “Unit”). Matador is the designated operator of the Unit and Order R-22224 dedicates the Unit to the proposed **Lonnie King Fed Com 135H** well.

5. On September 11, 2023, the Division issued Order No. R-22224-A extending the time to commence drilling the initial well to August 29, 2024.

6. Matador is eager to develop this acreage and has previously filed its application for a federal APD for the initial well in September 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 previously 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.

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 August 29, 2025.

8. Matador does not have any further updates to the updated summary of interests with respect to this pooling order.

9. None of the working interest owners that remain subject to these pooling orders have 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.

11. 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.



David Johns



Date

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

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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 application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains 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 this notice as of July 29, 2024.

5. I caused a notice to be published to all parties subject to this request for extension proceeding. An affidavit of publication from the publication’s legal clerk with a copy of the notice publication is attached herein.

6. 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: August 8, 2024
Case No. 24693**



Paula M. Vance

08/01/2024

Date



Paula M. Vance
Associate
Phone (505) 988-4421
pmvance@hollandhart.com

July 19, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL POOLED INTEREST OWNERS

Re: Application of Matador Production Company to Amend Order R-22224-A to Allow Additional Time to Commence Drilling, Lea County, New Mexico: Lonnie King Fed Com 135H well

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 August 8, 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,

Paula M. Vance
**ATTORNEY FOR MATADOR PRODUCTION
COMPANY**

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110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
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Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

MRC - Lonnie King 135H and 212H - Case nos. 24693 and 24696

Postal Delivery Report

9414811898765466639676	Chisos, Ltd.	1331 Lamar St	Houston	TX	77010-3025	Your item was forwarded to a different address at 9:55 am on July 24, 2024 in HOUSTON, TX. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.
9414811898765466639119	ZPZ Delaware I LLC	2000 Post Oak Blvd Ste 100	Houston	TX	77056-4499	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765466639157	John & Theresa Hillman Family Properties, LP	PO Box 50187	Midland	TX	79710-0187	This is a reminder to pick up your item before August 6, 2024 or your item will be returned on August 7, 2024. Please pick up the item at the MIDLAND, TX 79710 Post Office.
9414811898765466639126	Manix Royalty, Ltd.	PO Box 2818	Midland	TX	79702-2818	Your item arrived at the MIDLAND, TX 79701 post office at 5:17 pm on July 25, 2024 and is ready for pickup.

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
July 25, 2024
and ending with the issue dated
July 25, 2024.



Publisher

Sworn and subscribed to before me this
25th day of July 2024.

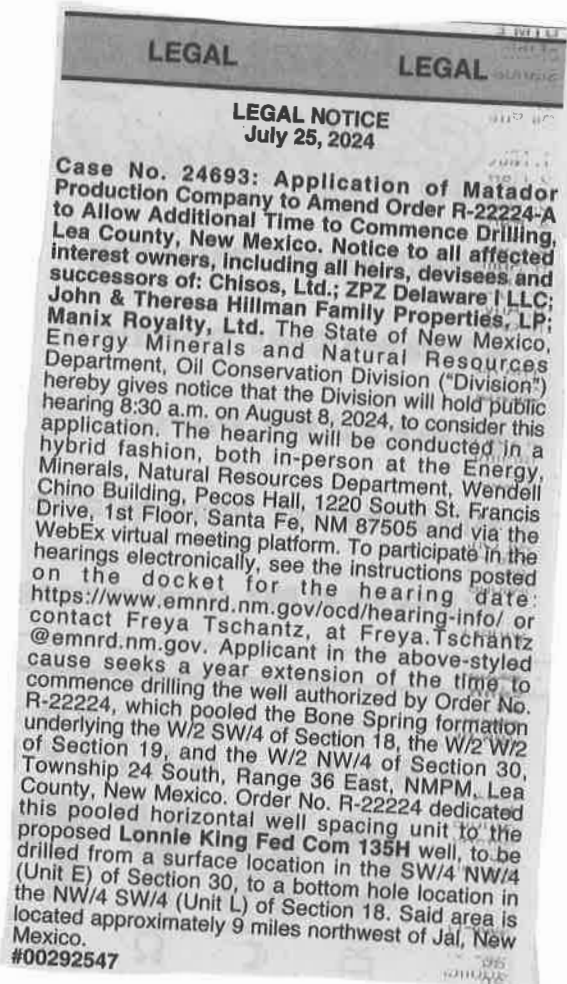


Business Manager

My commission expires
January 29, 2027

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

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.



67100754

00292547

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: August 8, 2024
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