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October 31, 2017

Case 15892

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Matador Production Company, is an application for a non-standard unit and compulsory pooling, together with a proposed advertisement. Please set this matter for the November 30, 2017 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Matador Production Company

Parties Being Pooled

Devon Energy Production Company, L.P. (WI), 333 West Sheridan Oklahoma City, OK 73102
Murchison Bone Springs Drilling Program 1, LLC (WI) 814 San Jacinto Blvd, Ste. 303 Austin TX 78701
COG Operating LLC (WI), 600 West Illinois Ave, Midland TX 79701
Mobil Producing Texas & New Mexico Inc. (WI), 9 Greenway Plaza, # 2700, Houston TX 77046

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 15892

APPLICATION

Matador Production Company applies for an order (i) approving a 160 acre non-standard oil spacing and proration unit in the Wolfcamp formation comprised of the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 11, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and (ii) pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an operator in the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 11, and has the right to drill a well thereon.
2. Applicant proposes to drill the Charles Ling Fed. Com. Well No. 212H to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 11 to the well in the Wolfcamp formation to form a non-standard 160 acre oil spacing and proration unit (project area). The well is a horizontal well, with a surface location 895 feet from the south line and 1910 feet from the west line, and a terminus 240 feet from the north line and 1650 feet from the west line, of Section 11.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 11 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests.

Therefore, applicant seeks an order pooling all mineral interest owners in the E½W½ of Section 11, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests in the Wolfcamp formation underlying the E½W½ of Section 11 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Approving a non-standard oil spacing and proration unit (project area) in the Wolfcamp formation in the E½W½ of Section 11;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the E½W½ of Section 11;
- C. Designating applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the costs among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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Attorney for Matador Production Company

PROPOSED ADVERTISEMENT

Case No. 15892 :

Application of Matador Production Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2W/2 of Section 11, Township 24 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the Charles Ling Fed. Com. Well No. 212H, a horizontal well with a surface location in SE/4SW/4, and a terminus in NE/4NW/4, of Section 11. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 22-1/2 miles west-northwest of Jal, New Mexico.

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