

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

**IN THE MATTER OF APPLICATIONS TO
AMEND ORDER R-21667 SUBMITTED BY
MATADOR PRODUCTION COMPANY**

**CASE NO. 22684
CASE NO. 22849
CASE NO. 22922
ORDER NO. R-21667-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on July 7, 2022, July 21, 2022, and August 4, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. On April 20, 2021, OCD issued Order R-21667 to Matador Production Company (“Operator”) to pool the uncommitted oil and gas interests within the specified spacing unit (“Unit”).
2. On March 8, 2022, Operator submitted an application under Case 22684 requesting an extension to drill the well(s) as required by Order R-21667.
3. On May 3, 2022, Operator submitted an application under Case 22849 requesting to change the Initial well from the Nina Cortell Federal Com 128H which targeted the Second Bone Springs, to the Nina Cortell Federal Com 134H which will target the Third Bone Spring formation as seen in the attached Exhibit A.
4. Subsequent to the issuance of Order R-21667, Operator discovered previously unidentified interest owner(s) in the Unit.
5. On June 7, 2022, Operator filed an application under Case 22922 with the OCD to amend Order R-21667 to pool additional interest owner(s). (The applications filed under Case Nos. 22684, 22849, and 22922 are referred to as the “Applications”)
6. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Applications was given.
7. Operator has demonstrated good cause to extend the deadlines in Order R-21667.
8. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Applications. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

9. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.

10. Operator satisfied the notice requirements for the Applications and the hearing as required by 19.15.4.12 NMAC.
11. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
12. Operator has the right to drill the Well to a common source of supply at the depth and location in the Unit described in Exhibit A.
13. This Order affords to each owner of an uncommitted interest the opportunity to produce its just and equitable share of the oil or gas in the pool.
14. The previously unidentified interest owner has not agreed to commit its interest to the Unit.
15. The pooling of the previously unidentified uncommitted interest in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
16. This Order affords to the previously unidentified interest owner the opportunity to produce its just and equitable share of the oil or gas in the pool.

ORDER

17. The previously unidentified uncommitted interest in the Unit is hereby pooled in the Unit.
18. The Exhibit A attached to **this** order supersedes the original Exhibit A.
19. The period to drill the well(s) is extended until April 20, 2023.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless prior to termination Operator applies, and OCD grants, to amend Order R-21667 for good cause shown.
21. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.
22. The remaining provisions of Order R-21667 remain in force or effect.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
DIRECTOR

AES/jag

Date: 10/28/2022

CASE NO. 22684 & 22849 & 22922
ORDER NO. R-21667-A

Exhibit A

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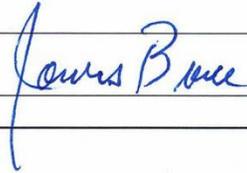
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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case:	22922
Date	August 4, 2022
Applicant	Matador Production Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company/OGRID No. 228937
Applicant's Counsel:	James Bruce
Case Title:	Application of Matador Production Company to re-open Case No. 21796 for Compulsory Pooling to pool additional parties, Lea County, New Mexico
Entries of Appearance/Intervenors:	ConocoPhillips Company/Holland & Hart LLP
Well Family	Nina Cortell Bone Spring Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Bilbrey Basin; Bone Spring/Pool Code 5695
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	E/2E/2 §10 and E/2E/2 §3-22S-32E, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibits C-2 and C-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Nina Cortell Fed. Com. Well No. 134H, API No. Pending SHL: 274 FSL and 1230 FEL (Unit P) §10-22S-32E BHL: 60 feet FNL and 660 feet FEL (Unit A) §3-22S-32E FTP: 100 FSL & 660 FEL §10 LTP: 100 FNL & 660 FEL §3 Third Bone Spring Sand/TVD 11900 feet/MD 22000 feet
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above

Revised
EXHIBIT *F.1*

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Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C, page 4
Requested Risk Charge	Cost + 200%/Exhibit A, Case No. 21796
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B
Proof of Published Notice of Hearing (10 days before hearing)	Not necessary
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibits C-2 and C-3
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-4
Overhead Rates In Proposal Letter	\$8000/\$800
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibits C-1 and C-2
Gunbarrel/Lateral Trajectory Schematic	Exhibits D-2 and D-3
Well Orientation (with rationale)	Standup/Exhibit D
Target Formation	Bone Spring
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-1 and C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits C-1 and C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit C-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including	Exhibit D-3

Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	August 2, 2022

Effective

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