

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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. 15785
ORDER NO. R-14460**

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

**CASE NO. 15786
ORDER NO. R-14461**

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

**CASE NO. 15787
ORDER NO. R-14462**

**MOTION TO SET ASIDE ORDERS R-14460, R-14461 AND R-14462 INsofar
AS
ARD OIL, LTD IS CONCERNED**

Ard Oil, Ltd., by and through its undersigned attorney moves to the Oil Conservation Division for an order setting aside the captioned order issued by the Division on October 4, 2017. As grounds for this motion, Ard Oil Ltd. (“Ard”) states:

1. On August 17, 2017, the Division, through Examiner William V. Jones, held hearings of three applications for compulsory pooling filed by Matador Production Company (“Matador”) in Cases 15785, 15786, which were consolidated for hearing, and Case 15787.
2. At the time of the hearings Ard was listed in Matador’s Summary of Interests (Matador’s Exhibit 4, attached hereto as Exhibit 1) as an uncommitted working interest owner in the three wells proposed by Matador.

3. At the hearing of Cases 15785 and 15786 Matador also introduced its Exhibit 7 (attached hereto as Exhibit 2), identified as the “Verna Rae Communication Summary” which was also entered in Case 15787. Nowhere in that summary appears any contact or communications with Ard.

4. In her testimony in all three cases, Cassie Hahn, Matador’s landman, testified that all of the uncommitted working interests were locatable. See, Exhibit 3, Page 12, lines 5-7 of the transcript of the Cases 15785 and 15786 attached hereto.

5. The certified return receipts which apparently were sent by counsel for Matador purporting to notify Ard of the hearing in Cases 15785, 15786, 15787 show that the return receipt was not delivered and was returned. See, Exhibit 4, attached hereto.

6. Ard was not given notice of the hearing by service of the notice through certified mail or by constructive service.

7. Ard learned of the compulsory pooling order as a result of recent negotiations with Matador for the drilling of the wells, and has been informed by Matador that Ard’s working interest in the three wells is subject to the compulsory pooling orders.

8. Undersigned counsel did not ask concurrence of counsel for Matador at the hearings due to the nature of this motion.

WHEREFORE, Ard requests that:

- A. Orders R-14460, R-14461, and R-14462 be set aside as to Ard Oil, Ltd.
- B. Alternatively, that Ard be given an opportunity, in accordance with Decretory Paragraph 10 of Orders R-14460, R-14461 and R-14462, to participate in drilling the wells.
- C. For such other and proper relief as the Division deems appropriate.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing was electronically transmitted on this 17th day of August, 2018 to the following:

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