

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**APPLICATION OF MATADOR PRODUCTION
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**Case No. 20324**APPLICATION**

Matador Production Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 35 and the N/2 of Section 36, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an operator in the N/2 of Section 35 and the N/2 of Section 36, and has the right to drill a well thereon.

2. Applicant proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool):

(a) The K Grevey State Com. Well No. 35H, with a first take point in the NE/4NE/4 of Section 36 and a final take point in the NW/4NW/4 of Section 35; and

(b) The K Grevey State Com. Well No. 202H, with a first take point in the SE/4NE/4 of Section 36 and a final take point in the SW/4NW/4 of Section 35

Applicant will dedicate the well to the N/2 of Section 35 and the N/2 of Section 36 to the wells.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2 of Section 35 and the N/2 of Section 36 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 wells or to otherwise commit their interests to

the wells, 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 N/2 of Section 35 and the N/2 of Section 36, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the N/2 of Section 35 and the N/2 of Section 36 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. Pooling all mineral interests in the Wolfcamp formation underlying the N/2 of Section 35 and the N/2 of Section 36;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Matador Production Company

Parties Being Pooled

**WPX Energy Permian, LLC
3500 Williams Center
P.O. Box 3102
Tulsa, Oklahoma 74101**