

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

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:**

**CASE NO. 12786  
ORDER NO. R-11714**

**APPLICATION OF MATADOR OPERATING COMPANY FOR AN  
UNORTHODOX GAS WELL LOCATION AND SIMULTANEOUS  
DEDICATION, EDDY COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on January 10, 2002, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 15th day of January, 2002, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

**FINDS THAT:**

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Matador Operating Company ("Matador"), seeks approval for an unorthodox gas well location for its Mershon Gas Com Well No. 2 (API No. 30-015-31404) located 415 feet from the North line and 1201 feet from the West line (Unit D) of Section 21, Township 22 South, Range 23 East, NMPM, Eddy County, New Mexico, which is to be completed in the Indian Basin-Upper Pennsylvanian Gas Pool. The applicant further seeks authority to simultaneously dedicate the Mershon Gas Com No. 2, and its existing Mershon Gas Com Well No. 1 (API No. 30-015-20241) located 990 feet from the North and East lines (Unit A) of Section 21, to a previously approved 360-acre non-standard gas spacing and proration unit comprising the N/2 and the N/2 N/2 N/2 S/2 of Section 21 (approved by Division Order No. R-3737, as amended.)

(3) Affected offset operators Chevron Texaco and Kerr-McGee Oil & Gas Onshore, L.L.C. ("Kerr-McGee") appeared at the hearing through legal counsel.