

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MATADOR PRODUCTION
COMPANY TO AMEND ORDER NO. R-21043,
LEA COUNTY, NEW MEXICO.**

Case No. _____

APPLICATION

Matador Production Company ("Matador") applies for an order amending Order No. R-21043 to extend the well commencement deadline, and in support thereof states:

1. Order No. R-21043 was issued to Matador, pooling mineral interest owners in the Wolfbone formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 21 and the NW/4NE/4 of Section 28, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

2. Matador proposes to drill the John Callahan Fed. Com. Well Nos. 133H and 217H to depths sufficient to test the Wolfbone formation. The order designated Matador as operator of the wells.

3. Order No. R-21043 was entered on January 27, 2020.

4. Ordering Paragraph of Order No. R-21043 required the operator to commence the wells by January 31, 2021. Pursuant to Ordering Paragraph 5 of the order Matador requested a one year commencement extension. The letter application (Exhibit A) clearly requested an extension to January 31, 2021. However, the approval (Exhibit B) only granted an extension to January 21, 2022. Matador submits that this was a typographical error, and thus this application was timely filed.


5. Matador requests an extension of the drilling deadline due to market conditions which have reduced rig counts and altered drilling schedules, and the coronavirus situation.

Matador intends to drill the subject wells. Thus, good cause exists for Matador's request for an extension.

6. Matador requests an extension of the well commencement deadline to January 31, 2023.

WHEREFORE, Matador requests that, after notice and hearing, the Division enter its order amending Order No. R-21043 to extend the well commencement deadline to January 31, 2023.

Respectfully submitted,



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

Attorney for Matador Production Company

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

December 13, 2020

Engineering Bureau
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Request to extend well commencement deadline in pooling order

Ladies and gentlemen:

The following pooling order was issued to Matador Production Company ("Matador") on January 27, 2020:

Order No. R-21043; Case No. 20593

Wells: (1) John Callahan Fed. Com. Well No. 133H (API No. 30-025-Pending), and (2) John Callahan Fed. Com. Well No. 217H (API No. 30-025-Pending)

Well unit: W/2E/2 of Section 21 and NW/4NE/4 of Section 28, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico

Pool: WC-025 G-09 S243532M; Wolfbone (Pool Code 98098)

Ordering Paragraph (4) granted Matador until January 31, 2021 to commence the wells. Pursuant to Ordering Paragraph (5), Matador requests a one year extension of the well commencement deadline, through January 31, 2022. The reasons for the extension request are as follows:

A. The well unit includes federal lands, and the BLM has not yet issued APDs. A review of the Division's well files today reflects no APDs or API Numbers, and Matador cannot commence drilling without Division-issued API Numbers; and

B. Due to current oil prices Matador has reduced its rig count, requiring a delay of well commencement.

EXHIBIT

A

Matador definitely plans on drilling the wells, but needs additional time to finalize drilling arrangements and to commence the above wells.

Pursuant to Ordering Paragraph (7), Matador informs the Division that no pooled working interest owner has elected to participate in the drilling of the wells.

Please let me know if any additional information is needed by the Division.

Very truly yours,

A handwritten signature in blue ink, appearing to read "James Bruce", is written over the typed name.

James Bruce

Attorney for Matador Production Company

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



December 14, 2020

Matador Production Company
c/o James Bruce, Agent
jamesbruc@aol.com
P.O. Box 1056
Santa Fe, New Mexico 87504

RE: Request for Time Extension to Commence drilling
Case No. 20593, R-21043 approved date January 27, 2020
Deadline to commence drilling January 31, 2021
Applicant/Operator: Matador Production Company
Proposed Well:
John Callahan Federal Com Well No. 133H, API No. 30-025-Pending
John Callahan Federal Com Well No. 217H, API No. 30-025-Pending

Dear Sir or Madam:

The following pertains to your request received by the Division on December 13th, 2020 and to the requirements in the captioned hearing order.

You have requested an extension of the deadline to commence drilling given by the Division in the captioned order.

As stated, you are requesting an extension to spud this well due to "BLM not yet issuing an APD and current oil prices Matador has reduced its rig count". There was no opposition in the captioned case. You are requesting an additional year in which to spud this well. The spud date is now extended to, **January 21, 2022.**

The requested additional year in which to commence drilling is hereby granted.

All other provisions of this order remain in full force and effect.

Sincerely,

ADRIENNE SANDOVAL
Director
AS/jag

CC: Oil Conservation Division

EXHIBIT