

JUL 10 2018 PM03:48

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)

jamesbruce@aol.com

July 10, 2018

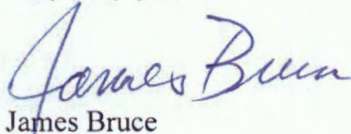
16351

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of ^{matador} Mewbourne Oil Company, are an application for compulsory pooling, together with a proposed advertisement. Please set the application for the August 9, 2018 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MATADOR PRODUCTION
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

Case No. 16351

APPLICATION

Matador Production Company applies for an order pooling the Bone Spring formation underlying the E/2E/2 of Section 19, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

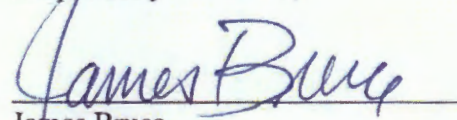
1. Applicant is an operator in the E/2E/2 of Section 19, and has the right to drill a well thereon.
2. Applicant proposes to drill the Dr. Ireland Fed. Com. Well No. 114H to a depth sufficient to test the Bone Spring formation. Applicant seeks to dedicate the E/2E/2 of Section 19 to the well to form a 160 acre horizontal spacing unit in the Bone Spring formation. The well has a surface location in the SE/4SE/4, and a final take point in the NE/4NE/4, of Section 19. The producing interval will be orthodox.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E/2E/2 of Section 19 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 well or to otherwise commit their interests to the well, 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 Bone Spring formation underlying the E/2E/2 of Section 19, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Bone Spring formation underlying the E/2E/2 of Section 19 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 Bone Spring formation underlying the E/2E/2 of Section 19;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the costs among the well's 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 well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A handwritten signature in blue ink that reads "James Bruce". The signature is written over a horizontal line.

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

Attorney for Matador Production Company

PROPOSED ADVERTISEMENT

Case No. 16351:

Application of Matador Production Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying the E/2E/2 of Section 19, Township 23 South, Range 35 East, NMPM. The horizontal spacing unit will be dedicated to the Dr. Ireland Fed. Com. Well No. 114H, a horizontal well with a surface location in the SE/4SE/4, and a final take point in the NE/4NE/4, of Section 19. The well's producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 17-1/2 miles southwest of Eunice, New Mexico.

JUL 10 2018 PM03:48