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September 18, 2018

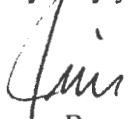
Case 16451

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

Dear Florene:

Enclosed for filing, on behalf of Matador Production Company, is an application for compulsory pooling, together with a proposed advertisement. Please set this matter for the October 18, 2018 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Matador Production Company

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 16451

APPLICATION

Matador Production Company applies for an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 1, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

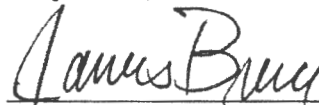
1. Applicant is an operator in the W/2W/2 of Section 1, and has the right to drill a well thereon.
2. Applicant proposes to drill the Larry Wolfish 1&12-23S-27E RB Well No. 121H, a Bone Spring horizontal well with a surface location in the SW/4SW/4 of Section 36, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, a first take point in the NW/4NW/4 of Section 1, and a last take point in the SW/4SW/4 of Section 1. The producing interval of the well will be orthodox.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2W/2 of Section 1 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 in the W/2W/2 of Section 1, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Bone Spring formation underlying the W/2W/2 of Section 1 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 W/2W/2 of Section 1;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost thereof 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,



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

Attorney for Matador Production Company

PROPOSED ADVERTISEMENT

Case No. 16451: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Matador Production Company seeks an order pooling all mineral interests in the Bone Spring formation underlying the W/2W/2 of Section 1, Township 23 South, Range 27 East, NMPM. The unit will be dedicated to the Larry Wolfish 1&12-23S-27E RB Well No. 121H, a horizontal well with a surface location in the SW/4SW/4 of Section 36, Township 22 South, Range 27 East, N.M.P.M., a first take point in the NW/4NW/4 of Section 1, and a last take point in the SW/4SW/4 of Section 1. The producing interval of the well 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 wells. The unit is located approximately 6 miles south-southwest of Carlsbad, New Mexico.