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MODRALL SPERLING  
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LAWYERS

Jennifer L. Bradfute  
505.848.1845  
Fax: 505.848.1882  
jlb@modrall.com

April 17, 2015

VIA EMAIL and  
U.S. Mail

Case 15303<sup>2</sup>

Florene Davidson  
Oil Conservation Division  
New Mexico Department of Energy, Minerals and Natural Resources  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505


Re: Applications to the Oil Conservation District

Dear Ms. Davidson:

Enclosed please find two applications for hearing for Matador  
Production Company.

Should you have questions, please do not hesitate to contact me.

Sincerely,



Jennifer L. Bradfute

JLB/sjh  
Enclosures  
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Modrall Sperling  
Roehl Harris & Sisk  
P.A.

Bank of America  
Centre  
500 Fourth Street  
NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

PO Box 2168  
Albuquerque,  
New Mexico  
87103-2168

Tel: 505.848.1800

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

APPLICATION OF MATADOR  
PRODUCTION COMPANY  
FOR A NON-STANDARD OIL SPACING,  
AND PRORATION UNIT, COMPULSORY  
POOLING, AND NON-STANDARD  
LOCATION, EDDY COUNTY,  
NEW MEXICO.

CASE NO. 15302

APPLICATION

Matador Production Company ("Matador"), OGRID Number 228937, through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order: (1) creating a non-standard 320-acre, more or less, gas spacing and proration unit in the Wolfcamp formation, comprised of the S/2 of Section 13, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit; and (3) approval of a non-standard location. In support of this application, Matador states as follows:

1. Matador is an interest owner in the subject lands and has the right to drill a well thereon.
2. Matador seeks to dedicate the S/2 of Section 13 to the proposed well to form a non-standard 320-acre, more or less, gas spacing and proration unit (the "project area").

3. Matador proposes to drill the Janie Conner 13-24S-28E RB #224H well, API Number 30-015-43037, to a depth sufficient to test the Wolfcamp formation. This well is a horizontal well with a surface location 445 feet from the South line, 255 feet from the East line (Section 14), and a terminus 331 feet from the South line, 240 feet from the East line (Section 13).

4. Matador seeks to drill the Janie Conner 13-24S-28E RB #224H well in an unorthodox location that does not comply with the setback requirements. This project area is within the Pierce Crossing, Wolfcamp NW Gas pool (pool code 96712). This pool is governed by rule 19.15.15.10(B), requiring an initial well on a 320-acre unit that is located no closer than 660 feet to the outer boundary of the quarter section on which the well is located. In addition for horizontal wells, every point of the completed interval must meet the minimum setback requirement from the outer boundaries of the project area. 19.15.16.15(B)(2). The completed interval for the Janie Conner 13-24S-28E RB #224H is as follows:

- a. Beginning of Producing Interval: 330 feet from the South line and 330 feet from the West line of Section 13;
- b. End of Producing Interval: 331 feet from the South line and 330 feet from the East line of Section 13.

5. Included in Exhibit A is the list of persons who are entitled to notice of the non-standard location under Subsection A of 19.15.4.12 NMCA. Copies of this application, including all attachments, have been mailed to each affected person via certified mail-return receipt requested, pursuant to Division Rules.

6. Matador sought, but has been unable to obtain a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed project area to participate in the drilling of the well or to otherwise commit their interests to the well.

7. Approval of the non-standard unit, non-standard location, and the pooling of all interests in the Wolfcamp formation underlying the proposed project area will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

8. Notice of this application has been given in accordance with Division rules as shown on Exhibit A.

WHEREFORE, Matador Production Company requests this application be set for hearing before an Examiner of the Oil Conservation Division on May 28, 2014, and after notice and hearing as required by law, the Division enter its order:

- A. Creating a non-standard oil spacing and proration unit ("project area") in the Wolfcamp formation comprised of S/2 of Section 13, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico;
- B. Pooling all mineral interests in the Wolfcamp formation underlying this non-standard spacing and proration unit/project area;
- C. Approval of a non-standard location;
- D. Designating Matador as operator of this unit and the well to be drilled thereon;
- E. Authorizing Matador to recover its costs of drilling, equipping and completing this well;
- F. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- G. 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,

MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.

By: 

Earl E. DeBrine, Jr.

Jennifer Bradfute

Post Office Box 2168

Bank of America Centre

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

*Attorneys for Applicant*

**EXHIBIT A**  
**MATADOR PRODUCTION COMPANY'S NOTICE LIST**

**Parties to be pooled:**

Devon Energy Production Co., L.P.  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

Mourne Oil and Gas  
605 Canon Ridge Rd.  
Canon City, CO 81212

Anastacia R. Blanco  
2720 Shannon Dr.  
S. San Francisco, CA 94080

Jamie P. Ruiz, representing Estate of Juan G. Ruiz  
2217 Alton St.  
Selma, CA 93662

Beth Ann Botros  
Devon Energy Production Co., L.P.  
20 North Broadway  
Oklahoma City, OK 73102

Lupe Lara  
605 N.2d Street  
Carlsbad, NM 88220

John A. Brown  
15626 Ash St.  
Hesperia, CA 92345

Barbara J. Swearingen and Kim A.,  
Trustees of the Barbara J. Swearingen Trust  
Dated August 13, 1999  
2535 Stonepoint Lane  
Salina, Kansas 67401

Dale M. Richardson  
Notice by publication

Linda Sue Richardson,  
Individually & as attorney in fact for

Harry James Richardson and  
Robert Dean Richardson  
13363 East Asbury Drive, #104  
Aurora, CO 80014

Evalyn Swearingen, Executrix of the  
Estate of Howard L. Swearingen, Deceased  
1250 North 50<sup>th</sup> Road      1252 50<sup>th</sup> Rd.  
Jamestown, Kansas 66948    Jamestown, Kansas 66948

Julie J Martin and husband  
P.O. Box 10911  
Southport, North Carolina 28461

Lois M. Durland  
1645 Jansen Way  
Woodburn, Oregon 97071

Richard A. Swearingen  
3444 Happy Hollow Road  
Topeka, KS 66617

Gregory Collier  
Notice by publication

James A. Collier III  
1113 Shady Oaks Circle  
McKinney, Texas 75070

Craig Collins  
6021 SW 29<sup>th</sup> St.  
Suite 116  
Topeka, KS 66614

Sidney M. Coryell, Jr.  
Notice by publication

The Kenesaw Senior Center  
P.O. Box G  
Kenesaw, Nebraska 68956

Camellia Land, LLC  
P.O. Box 51510  
Midland, TX 79710

Offset Lessees:

Guardian Operating Corp.  
6824 Island Circle  
Midland, Texas 79707

Devon Energy Production Co., L.P.  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

MRC Company  
5400 LBJ Freeway, Suite 150  
Dallas, Texas 75240-1017

RSC Resources, LP  
6824 Island Circle  
Midland, TX 79707

Inland Title LLC  
524 W Main St.  
Grangeville, ID 83530

Denmar Properties  
3413 Shell Ave.  
Midland, TX 79707

HHC Consulting & Investments, LLC  
2889 N. Garfield  
Midland, Texas 79702

Cogent  
6824 Island Circle  
Midland, TX 79707

Gahr Energy Company  
PO Box 1889  
Midland, TX 79702

M. Brad Bennett and Linda M. Bennett  
PO Box 51510  
Midland, TX 79710



Tennaco Oil Company  
PO Box 2511  
Houston, TX 77252

Carl Deal Schaeffer  
7044 50<sup>th</sup> Avenue  
Seattle, Washington 98115

Christine Deal Hines  
5844 McGee Street  
Kansas City, Missouri 64113

Anna Louise Deal Pluymen C/O Lanham Deal  
6016 41<sup>st</sup> Street  
Seattle, Washington 98115

Virginia H. Harrington Baer  
2154 Burtonsville Dr.  
Henderson, NV 89044

Lupe Lara  
605 N. 2<sup>nd</sup> Street  
Carlsbad, NM 88220

Yvette Lara  
505 N. Maple  
Carlsbad, NM 88220

Mitchell Lara  
310 N. Mesa  
Carlsbad, NM 88220

Chevron Midcontinent  
Attn: Sandy Stedman-Daniel  
1400 Smith  
Houston, TX 77002

Thomas D. Coffman  
Notified by publication

Charles D. Ray

Notified by publication

Conoco Phillips  
3401 E. 30<sup>th</sup> Street  
Farmington, NM 87402

CASE NO. 15302: Application of Matador Production Company for a non-standard spacing and proration unit, compulsory pooling, and non-standard location, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 320-acre, more or less, gas spacing and proration unit in the Wolfcamp formation, comprised of the S/2~~8~~ of Section 13, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit; and (3) approving a non-standard location. This proposed non-standard spacing and proration unit will be the project area for the Janie Conner 13-24S-28E RB #224H well, to be horizontally drilled. The producing area for this well will be unorthodox, located 330 feet from the project area boundary. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. The Janie Conner 13-24S-28E RB #224H well is located approximately 17 miles southeast of Carlsbad, New Mexico.

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