

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

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**APPLICATION OF MATADOR
PRODUCTON COMPANY
TO RE-OPEN CASE NO. 15245 FOR
COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 15245 (re-opened)

APPLICATION

Matador Production Company ("Matador"), OGRID Number 228937, through its undersigned attorneys, hereby requests the Oil Conservation Division to reopen Case No. 15245, in order to pool additional mineral interests in the Wolfcamp formation underlying the S/2 of Section 12, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico, pursuant to the provisions of NMSA (1978), § 70-2-17. In support of this application, Matador states as follows:

1. In Order No. R-13970, the Division approved a standard 320-acre, more or less, gas spacing and proration unit in the Wolfcamp formation, comprised of the S/2 of Section 12, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico, and an unorthodox location within the project area for Matador's proposed well – the Tom Walters 12-23-27E RB Well No. 203H.

2. The Tom Walters 12-23-27E RB 203H well is a horizontal well to be drilled from a surface location 2262 feet from the South line, and 250 feet from the West line (Unit letter L) of Section 12, to a terminus 2263 feet from the South line and 240 feet from the East line (Unit letter I) of Section 12, Township 23 South Range 27 East, NMPM) for the production of gas from the Wolfcamp formation from the Cass Draw-Wolfcamp (Gas) Pool (Pool code 74270).

3. Matador believed it would be able to reach an agreement with mineral interest owners in a portion of the lands located in the S/2 of Section 12 to participate in the drilling of the well, or to otherwise commit their interests to the well. As a result, Matador requested that its request to compulsory pool the uncommitted interests in the S/2 of Section 12 be dismissed, and Order No. R-13970 dismissed Matador's request for compulsory pooling.

4. These uncommitted interest owners subsequently refused to commit their interest in the project area, and it is necessary to obtain an order pooling all mineral interest owners in the S/2 of Section 12, pursuant to NMSA (1978), § 70-2-17.

5. Matador owns an interest in each tract (in the target pool or formation) where part of the well's completed interval will be located.

6. 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.

7. 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 August 20, 2015, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all mineral interests in the Wolfcamp formation underlying this non-standard spacing and proration unit/project area;
- B. Designating Matador as operator of this unit and the well to be drilled thereon;
- C. Authorizing Matador to recover its costs of drilling, equipping and completing this well;
- 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,

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

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Attorneys for Applicant

CASE NO. 15245 (re-opened): Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all mineral interests in the Wolfcamp formation underlying a standard spacing and proration unit comprised of the S/2 of Section 12, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico for the Tom Walters 12-23-27E RB Well No. 203H well, to be horizontally drilled. The producing area for this well will be unorthodox, located less than 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 Tom Walters 12-23-27E RB Well No. 203H well is located approximately 3 miles northwest of Loving, New Mexico.

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EXHIBIT A

Party	Address	City, State Zip	Net Acres	WI
Sally Guitar	10 Woodhaven Circle	Abilene, TX 79605	4	0.0125
Judy Guitar Uhey	P.O. Box 632	Elizabethtown, KY 42702	2	0.00625
Sharon Guitar Ellis	P.O. Box 105	Snoqualmie Pass, WA 98068	2	0.00625
Melissa McGee	P.O. Box 334	Buffalo Gap, TX 79508	2	0.00625
Pressley Hudson Guitar	3175 Curry Ln.	Abilene, TX 79605	2.5	0.0078125
Lesli Guitar Nichols	P.O. Box 327	Big Spring, TX 79721	1.25	0.00390625
John Kelly Guitar	P.O. Box 1628	Big Spring, TX 79721	1.25	0.00390625
Guy Pittman Witherspoon, III	308 Hazelwood Dr.	Fort Worth, TX 76107	2.5	0.0078125
John Guitar Witherspoon, Jr.	7404 Lemonwood Ln.	Fort Worth, TX 76133	1.25	0.00390625
Whitten Guitar Witherspoon	7524 Pear Tree Ln.	Fort Worth, TX 76133	1.25	0.00390625
Brett Guitar Witherspoon	PO Box 100635	Fort Worth, TX 76185	1.25	0.00390625
Wende Witherspoon Morgan	1720 Southwicke Dr.	Flower Mound, TX 75022	1.25	0.00390625
Gayle N. Nicolay, Trustee of the Gayle N. Nicolay Revocable Trust	5528 Tahoe Lane	Fairway, KS 66205	1.25	0.00390625
Virginia Nevill Hoff, as Trustee of the Virginia Nevill Hoff Management Trust	2601 Lakewood Circle	Tuscaloosa, AL 35405	1.25	0.00390625
			25	0.078125