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February 2, 2016

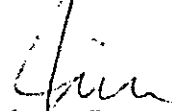
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 15444

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 March 3, 2016 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Matador Production Company

Parties Being Pooled

OXY USA WTP
Suite 110
5 Greenway Plaza
Houston, Texas 77046

M. Brad Bennett and Linda M. Bennett
P.O. Box 2062
Midland, Texas 79702

William Allen Gay
817 Colorado
Houston, Texas 77007

John Duncan Gay
1038
Southwest Exmoor Land
Topeka, Kansas 66604

James Michael Gay
55 Calle San Martin
Santa Fe, New Mexico 87506

Elevation Resources LLC
Suite 1010
200 North Loraine
Midland, Texas 79701

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 15444

APPLICATION

Matador Production Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying the N½ of Section 33, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:


1. Applicant is an operator in the N½ of Section 33, and has the right to drill a well thereon.
2. Applicant proposes to drill its B Banker 33-23S-28E RB Well No. 221H to a depth sufficient to test the Wolfcamp formation (South Culebra Bluff-Wolfcamp Gas Pool). Applicant seeks to dedicate the well to the N½ of Section 33 to form a standard 320 acre gas spacing and proration unit in the Wolfcamp formation for all pools or formations developed on 320 acre spacing within that vertical extent. The well is a horizontal well, with a surface location in the NE¼NE¼, and a terminus in the NW¼NW¼, of Section 33.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N½ of Section 33 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 N½ of Section 33, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the N½ of Section 33 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 Wolfcamp formation underlying the N½ of Section 33;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating its cost 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. 15444:

Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the the N/2 of Section 33, Township 23 South, Range 28 East, NMPM, for all pools or formations developed on 320 acre spacing within that vertical extent, including the South Culebra Bluff-Wolfcamp Gas Pool. The unit will be dedicated to the B Banker 33-23S-28E RB Well No. 221H, a horizontal well with a surface location in the NE/4NE/4, and a terminus in the NW/4NW/4, of Section 33. 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 1-1/2 miles south-southeast of Loving, New Mexico.

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