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February 2, 2016


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

Case 15445

Dear Florence:

Enclosed for filing, on behalf of Matador Production Company, is an application for compulsory pooling and an unorthodox location, 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

Gahr Energy Company
P.O. Box 1889
Midland, Texas 79702

HHC Consulting & Investments, LLC
2800 North Garfield
Midland, Texas 79705

Cl. St. Clair, LLC
412 Hillje
Alvin, Texas 77511

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF MATADOR PRODUCTION
COMPANY FOR COMPULSORY POOLING AND
APPROVAL OF AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

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Case No. 15445

APPLICATION

Matador Production Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying the N½ of Section 13, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and approving an unorthodox gas well location, and in support thereof, states:

1. Applicant is an operator in the N½ of Section 13, and has the right to drill a well thereon.
2. Applicant proposes to drill its Janie Connor 13-24S-28E RB Well No. 201H to a depth sufficient to test the Wolfcamp formation (Northwest Pierce Crossing-Wolfcamp Gas Pool). Applicant seeks to dedicate the well to the N½ of Section 13 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 299 feet from the north line and 330 feet from the east line of adjoining Section 14. The producing interval will be unorthodox, with the first perforation 330 feet from the north line and 330 feet from the west line, and the last perforation 330 feet from the north line and 330 feet from the east line, of Section 13.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N½ of Section 13 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 13, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the N½ of Section 13, and approval of the unorthodox well location, 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 13;
- B. Approving the unorthodox gas well location;
- C. Designating applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. 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. 15445:

Application of Matador Production Company for compulsory pooling and approval of an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the the N/2 of Section 13, Township 24 South, Range 28 East, NMPM, for all pools or formations developed on 320 acre spacing within that vertical extent, including the Northwest Pierce Crossing-Wolfcamp Gas Pool. The unit will be dedicated to the Janie Connor 13-24S-28E RB Well No. 201H. The well is a horizontal well, with a surface location 299 feet from the north line and 330 feet from the east line of adjoining Section 14. The producing interval will be unorthodox, with the first perforation 330 feet from the north line and 330 feet from the west line, and the last perforation 330 feet from the north line and 330 feet from the east line, of Section 13. 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 east of Malaga, New Mexico.

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