

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

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Case 15476

March 15, 2016

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 April 14, 2016 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Matador Production Company

Parties Being Pooled

New Mexico Department of Transportation
P.O. Box 1149
Santa Fe, New Mexico 87504

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION **RECEIVED OGD**

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

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Case No. 15476

APPLICATION

Matador Production Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying the N½ of Section 10, Township 24 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 10, and has the right to drill a well thereon.

2. Applicant has drilled its Guitar 10-24S-28E RB Well No. 202H 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 10 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 SE¼NE¼, and a terminus in the SW¼NW¼, of Section 10.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N½ of Section 10 for the purposes set forth herein.

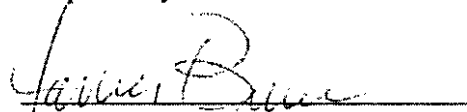
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the N½ of Section 10, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the N½ of Section 10 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 10;
- 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. 15476 :

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 10, Township 24 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 Guitar 10-24S-28E RB Well No. 202H, a horizontal well with a surface location in the SE/4NE/4, and a terminus in the SW/4NW/4, of Section 10. 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 mile north of Malaga, New Mexico.

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