

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 15817

APPLICATION

Matador Production Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying the N½ of Section 12, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an operator in the N½ of Section 12, and has the right to drill a well thereon.
2. Applicant proposes to drill its Miss Sue 12-23S-27E RB Well No. 202H to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the well to the N½ of Section 12 to form a standard 320 acre gas spacing and proration unit in the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool). The well is a horizontal well, with a surface location in the SE¼NE¼ of adjoining Section 11. The first perforation will be 1650 feet from the north line and 330 feet from the west line, and the last perforation will be 1650 feet from the north line and 330 feet from east line, of Section 12. The producing interval of the well will be orthodox.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N½ of Section 12 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.

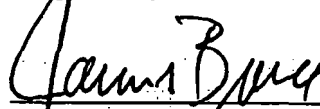
Therefore, applicant seeks an order pooling all mineral interest owners in the N½ of Section 12, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the N½ of Section 12 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 12;
- 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,



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PROPOSED ADVERTISEMENT

Case No. 15817

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 N/2 of Section 12, Township 23 South, Range 27 East, NMPM, to form a standard 320 acre gas spacing and proration unit. The unit will be dedicated to the Miss Sue 12-23S-27E RB Well No. 202H. The well is a horizontal well, with a surface location in the SE/4NE/4 of adjoining Section 11. The first perforation will be 1650 feet from the north line and 330 feet from the west line, and the last perforation will be 1650 feet from the north line and 330 feet from east line, of Section 12. The producing interval of the well will be orthodox. 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 3.5 miles northwest of Loving, New Mexico.