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January 23, 2018

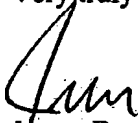
Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

15710  
Case ~~15691~~

Dear Florene:

Enclosed for filing, on behalf of Matador Production Company, is an application to re-open a case for compulsory pooling, together with a proposed advertisement. Please set this matter for the February 22, 2018 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Matador Production Company

**Parties Being Pooled**

<b>Mineral Owner</b>	<b>Street Address</b>	<b>City, State, Zip</b>
<b>BNSF Railway Company</b>	<b>2500 Lou Menk Drive AOB-3</b>	<b>Fort Worth, TX 76131</b>
<b>Helen D. Karnoski, a married woman, dealing in her separate property</b>	<b>1588 Sandinista Drive</b>	<b>Las Vegas, NV 89123</b>

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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**APPLICATION OF MATADOR PRODUCTION  
COMPANY TO RE-OPEN CASE NO. 15710 FOR  
COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.**

**Case No. 15710 (Re-opened)**

**APPLICATION**

Matador Production Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying the S½ of Section 10, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

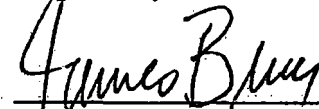
1. Applicant is an operator in the S½ of Section 10, and has the right to drill a well thereon.
2. Applicant has drilled its Tom Matthews 10-24S-28E RB Well No. 223H to a depth sufficient to test the Wolfcamp formation. Applicant has dedicated the well to the S½ of Section 10 to form a standard 320 acre 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 SE¼SE¼ of adjoining Section 9. The first perforation is in the NW¼SW¼, and the last perforation is in the NE¼SE¼, of Section 10. The producing interval of the well is orthodox.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S½ 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 S½ of Section 10, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the S½ 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 S½ 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. 15710 :

***Application of Matador Production Company to re-open Case No. 15710 for compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 10, Township 24 South, Range 28 East, NMPM, to form a standard 320 acre gas spacing and proration unit. The unit is dedicated to the Tom Matthews 10-24S-28E RB Well No. 223H. The well is a horizontal well, with a surface location in the SE/4SE/4 of adjoining Section 9. The first perforation is in the NW/4SW/4, and the last perforation is in the NE/4SE/4, of Section 10. The producing interval of the well is 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 southeast of Loving, New Mexico.

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