JAMES BRUCE ATTORNEY AT LAW

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April 3, 2018

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 proposed advertisements. Please set this matter for the May 3, 2018 Examiner hearing. Thank you.

Very truly yours,

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James Bruce

Attorney for Matador Production Company

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Case 16083

Parties Being Pooled

Party

Belen Hernandez, as her separate property Brandon Munoz, as his separate property Chi Energy, Inc. Estate of Claudio L. Sapien

Estate of Irene Ruiz.

John W. Qualls, whose marital status is unknown

Oak Valley Mineral and Land, LP Pedro M. Sapien, Sr., whose marital status is unknown Priscilla Rodriguez, as her separate property Raul Arturo Gamboa and Valdrie Lara, as joint tenants Tower Rock Royalties, LP Trog Fund LP Rachel Martin Robert G. Rodriguez Ruben G. Rodriguez Rosemary G. Zapata Rodolfo G. Rodriguez

RKI Exploration & Production, LLC RKI Exploration & Production; LLC Street Address 1905 Howard Rd. P.O. Box 1954 P.O. Box 1799 2710 Dona Ana 8253 Avenue 304 5316 Sherwood Drive

P.O. Box 50820 501 South Ash Street

201 Cleveland

6011 Ruiz Road P.O. Box 5746 P.O. Box 5746 207 Polk Street 210 West Riverside, Apt 33 4203 East Derrick Road 4312 Hillshire Ct. 816 Caballo Road 3817 Northwest Expressway Suite 950 3500 One Williams Center, MD 35 Citý, State, Zip
Carlsbad, NM 88220
Carlsbad, NM 88220
Midland, TX 79702
Carlsbad, NM 88220
Visalia, CA 93277
Midland, TX 79707

Midland, TX 79710 Carlsbad, NM 88220

Artesia, NM 88210

Carlsbad, NM 88220 Austin, TX 78763 Austin, TX 78764 Whiteface, TX 79379 Carlsbad, NM 88220 Carlsbad, NM 88220 Plano, TX 75023 Carlsbad, NM 88220

Oklahoma City, OK 73112 Tulsa, OK 74172

Interest Type Unleased Mineral Owner Unleased Mineral Owner

Unleased Mineral Owner Unleased Mineral Owner-

Unleased Mineral Owner Unleased Mineral Owner

Unleased Mineral Owner Unleased Mineral Owner Unleased Mineral Owner Unleased Mineral Owner Unleased Mineral Owner Unleased Mineral Owner Working Interest Owner

Working Interest Owner

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. _/6083

APPLICATION

Matador Production Company applies for an order approving a 320 acre standard gas spacing and proration unit in the Wolfcamp formation comprised of the W/2 of Section 1, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the well unit, and in support thereof, states:

1. Applicant is an operator in the W/2 of Section 1, and has the right to drill a well thereon.

2. Applicant proposes to drill the Larry Wolfisch 01-23S-27E RB Well No. 206H, a Wolfcamp horizontal well with a surface location in the SE/4SW/4 of Section 36, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and a terminus in the SE/4SW/4 of Section 1. The producing interval of the well will be at an orthodox location.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2 of Section 1 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 wells 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 Wolfcamp formation in the W/2 of Section 1, pursuant to NMSA 1978 §70-2-17.

5. Approval of the spacing and proration unit, and the pooling of all mineral interests in the Wolfcamp formation underlying the W/2 of Section 1, 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 W/2 of Section 1;

B. Designating applicant as operator of the well:

C. Considering the cost of drilling and completing the wells, and allocating the 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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James Bruce Post Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043

Attorney for Matador Production Company

PROPOSED ADVERTISEMENT

Case No. 16083: Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Matador Production Company seeks an order approving a 320 acre gas spacing and proration unit in the Wolfcamp formation underlying the W/2 of Section 1, Township 23 South, Range 27 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the gas spacing and proration unit. The unit will be dedicated to the Larry Wolfisch 01-23S-27E RB Well No. 206H, a horizontal well with a surface location in the SE/4SW/4 of Section 36, Township 22 South, Range 27 East, N.M.P.M., and a terminus in the SE/4SW/4 of Section 1. 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 applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 6 miles south-southwest of Carlsbad, New Mexico.

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