

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

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

CASE NO. 20624

APPLICATION

Matador Production Company, ("Matador"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation (Burton Flat East; Upper Wolfcamp (98315)) underlying a standard 320-acre horizontal spacing unit comprised of the S/2 N/2 of Sections 29 and 30, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of its application, Matador states:

1. An affiliate entity of Matador Production Company (OGRID No. 228937) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to its proposed **Leatherneck 3029 Fed Com #206H Well**, which will be horizontally drilled from a surface location in the SW/4 NW/4 (Lot 2) of Section 30 to bottom hole location in the SE/4 NE/4 (Unit H) of Section 29.
3. The completed interval for **Leatherneck 3029 Fed Com #206H Well** will comply with the standard setbacks required by the statewide rules set forth in 19.15.16.15 NMAC.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of this proposed horizontal well and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 11, 2019, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial well thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP



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**ATTORNEYS FOR MATADOR PRODUCTION
COMPANY**

CASE 20624:

Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a 320-acre horizontal spacing unit comprised of the S/2 N/2 of Sections 29 and 30, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed **Leatherneck 3029 Fed Com #206H Well**, which will be horizontally drilled from a surface location in the SW/4 NW/4 (Lot 2) of Section 30 to bottom hole location in the SE/4 NE/4 (Unit H) of Section 29. The completed interval for **Leatherneck 3029 Fed Com #206H Well** will comply with the standard setbacks required by the statewide rules set forth in 19.15.16.15 NMAC. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of Applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 10 miles northeast of Carlsbad, New Mexico.