

**Examiner Hearing – January 21, 2016**  
**Docket No. 03-16**  
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terminus 330 feet from the South line and 330 feet from the West line (Unit M) of Section 11. The completed interval will commence in Section 15 and remain within the standard setback required by the Division's rules. The subject area is located approximately 6.5 mile southwest of Lakewood, New Mexico.

4. **Case No. 15433: Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 32, Township 18 South, Range 33 East, Lea County, New Mexico and (2) pooling all uncommitted mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Eland State 32-18S-33E RN No. 123H Well, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) to a standard bottom hole location in the SW/4 SE/4 (Unit O) of Section 32. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 16.2 miles southeast of Maljamar, NM.
5. **Case No. 15434: Application of XTO Energy Inc. for a non-standard spacing and proration unit, and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre spacing and proration unit comprised of the W/2 W/2 of Section 8 and the W/2 W/2 of Section 17, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed SDE 17 Federal #1H well, which will be horizontally drilled from a surface location in the SW/4 SW/4 of Section 17 (Unit M) to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 8. The completed interval for this well will remain within the 330-foot standard setback required by the Division's statewide rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of XTO Energy Inc. as operator of the well, and a 200% charge for risk involved in drilling and completing said well. The subject area is located approximately 15 miles south-southeast of Halfway, New Mexico.
6. **Case No. 15371: (Continued from the December 17, 2015 Examiner Hearing.)**  
**Application of Smith and Marrs Inc., for approval of a pressure maintenance project, in Eddy County, New Mexico.** Applicant seeks approval to institute a lease pressure maintenance project in its **Superior State Well #1**, located 1980' FNL and 660' FEL, Unit H, Section 8, Township 25 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. Applicant intends to inject produced water into the Delaware Sand formation at depths of 3736-3776 feet (perforated). The well is located approximately 10 miles south east of Malaga, New Mexico.
7. **Case No. 15411: (Continued from the December 3, 2015 Examiner Hearing.)**  
**Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Devon Energy Production Company, L.P. seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 8, Township 23 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit, for any pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the **Stray Cat 8 Fed. Com. Well No. 1H**, a horizontal well to be drilled at a surface location in the SW/4 SW/4, with a terminus in the NW/4 NW/4, of Section 8. 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 15 miles south-southeast of Halfway, New Mexico.
8. **Case No. 15435: Application Of Dugan Production Company For Approval Of The Sunflower Fruitland Pictured Cliffs Unit, San Juan County, New Mexico.** Applicant seeks approval of its Sunflower Fruitland Pictured Cliffs Unit consisting of approximately 6,976.53 acres of the following Federal and State lands situated in San Juan County, New Mexico:  
**TOWNSHIP 24 NORTH, RANGE 12 WEST, N.M.P.M.**  
Section 6: All  
Section 7: N/2  
**TOWNSHIP 24 NORTH, RANGE 13 WEST, N.M.P.M.**  
Section 1: All  
Section 2: All  
Section 11: All  
Section 12: All  
Section 14: N/2NE/4 and NW/4