

**NOTICE OF PUBLIC MEETING
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
June 8, 2023
9:00 A.M.**

The State of New Mexico Oil Conservation Commission meeting will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in Room 317 at the New Mexico State Capitol, 490 Old Santa Fe Trail, Santa Fe, New Mexico. The Commission's public meeting can also be accessed by using the following link and/or meeting information:

New Mexico Oil Conservation Commission - June 8, 2023

<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=ma99dba7f182e836526df2371969e4344>

Thursday, June 8, 2023 9:00 PM | 8 hours | (UTC-07:00) Mountain Time (US & Canada)

Meeting number: 2491 563 6972

Password: stWnC8GYP43 (78962849 from video systems)

Join by video system

Dial [24915636972@nmemnrd.webex.com](tel:24915636972)

You can also dial 173.243.2.68 and enter your meeting number.

Join by phone

+1-408-418-9388 United States Toll

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Florene Davidson at (505) 470-5480 or through the New Mexico Relay Network at 1-800-659-1779 by **May 29, 2023**. Public documents can be provided in various accessible formats. A preliminary agenda will be available to the public no later than two weeks prior. A final agenda will be available no later than 72 hours preceding the meeting. Members of the public may obtain copies of the agenda by contacting Ms. Davidson by visiting the Oil Conservation Division website at www.emnrd.nm.gov/ocd. The meeting may extend into June 9, 2023 which extension will be confirmed the day of by the OCC Chair.

The following items are for discussion and possible action:

Case No. 22871: Application of Chevron Production Company for compulsory pooling, Eddy County, New Mexico, of all uncommitted interests in the Bone Spring formation, underlying a standard 320-acre horizontal spacing unit comprised of the E/2 W/2 of Sections 17 and 20, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico. Said area is located approximately 9 miles east of White City, New Mexico.

Case No. 22872: Application of Chevron Production Company for compulsory pooling, Eddy County, New Mexico, of all uncommitted interests in the Bone Spring formation, underlying a standard 640-acre horizontal spacing unit comprised of the E/2 of Sections 17 and 20, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico. Said area is located approximately 9 miles east of White City, New Mexico.

De Novo Case No. 23049: Application of Cimarex Energy Co. for compulsory pooling of all uncommitted mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2 of Section 8, the W/2 of Section 17, and the W/2 of Section 20, Township 25 South, Range 27 East, NMPM. This is a De Novo hearing of the following three OCD cases - **Case No. 22510, Case No. 22343, and Case No. 22344.**

Cases referred to the OCC by Division Director to be heard with Case No. 23049:

Case 22018: Application of Cimarex Energy Co. seeking an order: (1) creating a standard 479.39-acre, more or less, horizontal spacing and proration unit comprised of the S/2 N/2 of Sections 2 and 1, Township 20 South, Range 29 East; and the S/2 N/2 of Section 6, Township 20 South, Range 30 East; NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying the unit. The well and

lands are located approximately 12 miles northeast of Carlsbad, New Mexico.

Case 22019: Application of Cimarex Energy Co. seeking an order: (1) creating a standard 484.63-acre, more or less, horizontal spacing and proration unit comprised of the N/2 N/2 of Sections 2 and 1, Township 20 South, Range 29 East; and the N/2 N/2 of Section 6, Township 20 South, Range 30 East; NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying the unit. The well and lands are located approximately 12 miles northeast of Carlsbad, New Mexico.

De Novo Case No. 21744: Application of Cimarex Energy Co. for Hearing De Novo of Case No. 21629, Eddy County, New Mexico. The New Mexico Oil Conservation Division issued Order No. R-21575 in Case No. 21629 pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 N/2 of Section 3 and the N/2 N/2 of Section 2, Township 20 South, Range 29 East, NMPM. Eddy County, New Mexico. Cimarex, a party of record adversely affected by Order No. R-21575, requests that the matter raised in this case be heard de novo before the OCC.

Case No. 23088: Application of Cimarex Energy Co. seeking an order (1) pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 8 and the W/2W/2 of Section 17, Township 25 South, Range 27 East, NMPM, limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Schlumberger Platform Express Three Detector Litho-Density Compensated Neutron Log in COG Operating LLC's Jack Federal (Pilot Hole) Well No. 1H (API No. 30-015-38643), to the base of the Bone Spring formation addressing the cost of drilling, completing, and equipping the well; and (3) approving the proposed well unit overlapping the well units for the following wells, and to allow two operators in the well unit: White City 8 Fed. Well No. 2H W/2W/2 §8 Cimarex Energy Co. Hayhurst 17 Fed. Well No. 1H W/2W/2 §17 Chevron U.S.A. Inc. The unit is located approximately 7 miles south-southeast of Black River Village, New Mexico.

Case No. 23089: Application of Cimarex Energy Co. seeking an order (i) pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 8, the E/2W/2 of Section 17, and the E/2W/2 of Section 20, Township 25 South, Range 27 East, NMPM, limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Pilot Hole; (ii) addressing the cost of drilling, completing, and equipping 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, completing, and equipping the well; and (iii) . approving the proposed well unit overlapping the well unit for the following well: Cottonberry 20 Fed. Com. Well No. 2H E/2W/2 §20 Cimarex Energy Co. The unit is located approximately 7-1/2 miles south-southeast of Black River Village, New Mexico.

Case No. 23090: Application of Cimarex Energy Co. seeking an order (i) pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 8, the W/2E/2 of Section 17, and the W/2E/2 of Section 20, Township 25 South, Range 27 East, NMPM, limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Pilot Hole; (ii) addressing the cost of drilling, completing, and equipping 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, completing, and equipping the well, and (iii) approving the proposed well unit overlapping the well units for the following wells: White City 8 Fed. Well No. 4H W/2E/2 §8 Cimarex Energy Co. Cottonberry 20 Fed. Com. Well No. 3H W/2E/2 §20 Cimarex Energy Co. The unit is located approximately 8 miles south-southeast of Black River Village, New Mexico.

Case No. 23091: Application of Cimarex Energy Co. seeking an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 8, the E/2E/2 of Section 17, and the E/2E/2 of Section 20, Township 25 South, Range 27 East, NMPM, limited to depths below the stratigraphic equivalent of 7,745 feet subsurface, being the top of the Harkey formation as seen in the Pilot Hole; (ii) addressing the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as

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operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well, and (iii) approving the proposed well unit overlapping the well units for the following wells: White City 8 Fed. Well No. 5H E/2E/2 §8 Cimarex Energy Co. Cottonberry 20 Fed. Com. Well No. 4H E/2E/2 §20 Cimarex Energy Co. The unit is located approximately 8 miles south-southeast of Black River Village, New Mexico.

Case No. 23463: Application of Targa Northern Delaware LLC for Authorization to Inject, Lea County, New Mexico. Targa Northern Delaware LLC (“Targa”) seeks authorization to drill and operate a Class II acid gas injection (“AGI”) well, the Red Hills AGI #3 well, at Targa’s gas processing facility (“Facility”) in Lea County, New Mexico. The proposed redundant well (Red Hills AGI #3) will be a vertical well with a surface location approximately 1,138 feet from the north line (FNL) and 354 feet from the east line (FEL) of Section 13, Township 24 South, Range 33 East, Lea County, New Mexico. The proposed injection zones for this well are the Devonian and Upper Silurian Wristen and Fusselman Formations, at depths of approximately 16,000 to 17,600 feet. The maximum surface pressure will not exceed 5,000 psi with a maximum daily injection volume of twenty-six (26) million standard cubic feet. The proposed well will serve as a disposal well for treated acid gas at the Facility. The proposed well is located approximately 20 miles west of Jal, New Mexico.

Additional information on these cases can be found at:

<https://ocdimage.emnrd.nm.gov/Imaging/CaseFileView.aspx?CaseNo=>

Enter case number.

Given under the Seal of the New Mexico Oil Conservation Commission at Santa Fe, New Mexico.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Dylan Fuge, Chair