

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

**FINAL AGENDA AND DOCKET
NEW MEXICO OIL CONSERVATION COMMISSION MEETING**

May 18, 2017

9:00 a.m.

Wendell Chino Building

Porter Hall

1220 S. St. Francis Drive

Santa Fe, New Mexico 87505

The following items are for discussion and possible action:

1. Roll Call.
2. Approve the Agenda.
3. Approve minutes of April 25, 2017 special meeting.
4. Final action may be taken in:

De Novo Case No. 15441: Application of Nearburg Exploration Company, L.L.C., SRO2 LLC and SRO3 LLC for an Accounting and Limitation on Recovery of Well Costs, and for Cancellation of Applications for Permit to Drill, Eddy County, New Mexico;

De Novo Case No. 15481: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico; and

De Novo Case No. 15482: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.

5. **Case No. 15487:** (Continued from the April 4, 2017 Commission meeting.)
Joint Application for Rehearing of Order No. R-14164-D, Application of the New Mexico Oil Conservation Division Through the Supervisor of District II for an Emergency Order Suspending Certain Approved Applications for Permits to Drill, and for Adoption of Special Rules for Drilling in Certain Areas for the Protection of Fresh Water, Chaves and Eddy Counties, New Mexico. The New Mexico Oil Conservation Commission, upon a Joint Application for Rehearing filed by parties appearing in the case, will consider proposed amendments to the Special Provisions for A Selected Area of The Roswell Basin adopted under Order No. R-14164-D. The proposed amendments will (a) limit the Designated Area identified in adopted 19.15.39.11(A) as subject to the Special Provisions to only the area where both aquifers exist as recognized by the Office of the State Engineer and other published studies, plus a one mile buffer zone; and (b) modify the language in adopted 19.15.39.11(C)(2) to clarify when the surface casing string may be set “not more than 50 feet above the first show of hydrocarbons on a mud log...”.

Pursuant to Order No. R-14164-E, the scope of the rehearing shall be limited to the two issues raised in the Joint Application for Rehearing. Any person who intends to present technical testimony or cross examine witnesses shall file a pre-hearing statement with the Commission Clerk no later than five business days before the hearing.

6. **Case No. 15519: De Novo**
Application of Mewbourne Oil Company to revoke the injection authority granted under SWD-744 for the Willow Lake Well No. 1 operated by Pyote Well Service, LLC, Eddy County, New Mexico. Applicant seeks an order revoking the injection authority granted by Administrative Order SWD-744 for the Willow Lake Well No. 1 (30-015-21499), a salt water disposal well located 660 feet from the North line and 1980 feet from the West line (Unit C) in Section 22, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This well is currently operated by Pyote Well Service, LLC and disposing produced water into the Bone Spring formation through perforations at depths of approximately 7,184 feet to approximately 8,850 feet. The well is located approximately 5 miles South of Loving, New Mexico.
Upon application of David Baker, Receiver, for benefit of Pyote Water Solutions LLC and Pyote SWD II LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC.
7. Proposed revision of Rule 19.15.3 NMAC (Rulemaking).
8. Proposed revision of Rules 19.15.7 and 19.15.16 NMAC (Rulemaking).
9. Next meeting: June 13, 2017.
10. Adjournment.

If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, contact Florene Davidson at least ten days prior to the meeting or as soon as possible at 505.476.3458 or florene.davidson@state.nm.us. Public documents can be provided in various accessible formats. Contact Florene Davidson if accessible format is needed.