

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PRELIMINARY AGENDA AND DOCKET
REGULAR MEETING

January 17, 2019

9:00 a.m.

Wendell Chino Building

Porter Hall

1220 S. St. Francis Drive

Santa Fe, New Mexico 87505

The Commission may conduct a closed executive session during which it will deliberate in connection with an administrative adjudicatory proceeding pending before the Commission or consult with the Commission counsel under the client-attorney privilege concerning threatened or pending litigation in which the Commission is or may become a participant.

The following items are for discussion and possible action:

1. Roll Call.
2. Approve the Agenda.
3. Approve minutes of December 4, 2018 Special Commission Meeting.
4. Adopt Annual Resolution setting forth reasonable notice standards for Commission Public Meetings
5. ***Rehearing: Case No. 15855 (De Novo): Application of Delaware Energy LLC to Revoke the Injection Authority Granted Under SWD-1680 for the Alpha SWD No. 1 Well Operated by Alpha SWD Operating LLC, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order revoking the injection authority granted by Administrative Order SWD-1680 for the Alpha SWD No. 1 well (API No. 30-015-44237), a salt water disposal well located 1,457 feet from the south line and 2,093 feet from the east line of Section 10, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. Alpha SWD Operating LLC is the operator of the well. The well is located approximately 4 miles southeast of Loving, New Mexico. Upon the application of Alpha SWD Operating, LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC. The Commission held a hearing on July 20, 2018, and granted an application for rehearing on September 13, 2018.
6. ***Case No. 15844 (De Novo): (Continued from the November 15, 2018 Commission Meeting.) Amended Application of XTO Energy Inc. for Approval of the Expansion of the James Ranch Unit, Eddy County, New Mexico.*** Applicant seeks approval to expand the geographic area of the James Ranch Unit by 13,223.68 acres of land. Said Unit currently consists of approximately 15,094.41 acres of Federal, Fee, and State Acreage in Eddy County, New Mexico. The total unit acreage will include 28,318.09 acres.
7. ***Case No. 16446: (Continued from the October 11, 2018 Commission Meeting.)***

Application of Salt Creek Midstream, LLC for Authorization to Inject Acid Gas into the Proposed Leavenworth AGI No. 1 well in Section 23, Township 26 South, Range 36 East, Lea County, New Mexico. Applicant Salt Creek Midstream, LLC seeks an order from the New Mexico Oil Conservation Division authorizing it to inject treated acid gas for disposal purposes at an approximate depth of 16,459 feet to 18,600 feet below the surface in the Devonian and Fusselman formations, potentially including the top of the Montoya formation, at a surface location approximately 973 feet from the South line and 1,836 feet from the East line (Unit O) of Section 23 in Township 26 South, Range 36 East, NMPM, Lea County. The proposed well will inject treated acid gas at a maximum rate of 60 MMSCFD and a maximum surface injection pressure of 2,830 psig. Said area is located approximately 6.5 miles southwest of Jal in Lea County, New Mexico.

Upon the application of Ascent Energy, LLC, the following consolidated Cases Nos. 15992 - 15996, 15988 and 16016 – 16018 will be heard De Novo.

8. ***Case No. 15992: Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a 160-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Trucker Fed. Com. Well No. 501H.**

9. ***Case No. 15993: Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a 160-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Trucker Fed. Com. Well No. 502H.**

10. ***Case No. 15994: Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit, an unorthodox oil well location, and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a 160-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Trucker Fed. Com. Well No. 601H.**

11. ***Case No. 15995: Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a 160-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Trucker Fed. Com. Well No. 701H.**

12. ***Case No. 15996: Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a 160-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Trucker Fed. Com. Well No. 703H.**

13. ***Case No. 15988: Amended Application of Centennial Resource Production, LLC 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 160-acre non-standard spacing and proration unit comprised of the W/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM, 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 **Horseshoe Fed Com No. 601H Well**.

14. ***Case No. 16016: Application of Centennial Resource Production, LLC 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 160-acre non-standard spacing and proration unit comprised of the E/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM, 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 **Horseshoe Fed Com No. 602H Well**.

15. ***Case No. 16017: Application of Centennial Resource Production, LLC 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 160-acre non-standard spacing and proration unit comprised of the W/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Horseshoe Fed Com No. 701H Well**.

16. ***Case No. 16018: Application of Centennial Resource Production, LLC 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 160-acre non-standard spacing and proration unit comprised of the E/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Horseshoe Fed Com No. 702H Well**.

Upon the application of Premier Oil & Gas, Inc., the following consolidated cases will be heard De Novo:

17. ***Case No. 16115: Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a non-standard 640.31-acre, more or less, spacing and proration unit comprised of the E/2 of Section 6, Township 23 South, Range 26 East, NMPM and the E/2 of Section 31, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Ocotillo 6-31 State Com WCB No. 2H Well**.

18. ***Case No. 16116: Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320.18-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Section 6, Township 23 South, Range 26 East, NMPM and the E/2 E/2 of Section 31, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Ocotillo 6-31 State Com 3BS No. 4H Well**.

Upon the application of Pride Energy Company, the following consolidated Case Nos. 16099 – 16104 and 16169 -16174 will be heard De Novo:

19. ***Case No. 16099: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole Commingling, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Marwari 28-16 State Fed Com 232H** well.

20. ***Case No. 16100: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Marwari 21-16 State Fed Com 234H** well.

21. ***Case No. 16101: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (Mesa Verde; Bone Spring Pool (Pool Code 96229) and WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Marwari 28-16 State Fed Com 236H** well.

22. ***Case No. 16102: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Marwari 28-16 State Fed Com 712H** well.

23. ***Case No. 16103: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Marwari 21-16 State Fed Com 714H** well.

24. ***Case No. 16104: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; Pool Code 98270), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Marwari 28-16 State Fed Com 716H** well.

25. ***Case No. 16169: Application of Pride Energy Company, for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico;*** Applicant seeks an order pooling all mineral interests within the Bone Spring formation (Pool Code WC-205 G-05 S-253209L; Bone Spring 96715), dedicated to its **Paduca 16 State 501H well**, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the W/2 W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico.

26. ***Case No. 16170: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico;*** Applicant seeks an order pooling all mineral interests within the Bone Spring formation (Pool Code WC-205 G-05 S-253209L; Bone Spring 96715), dedicated to its **Paduca 16 State 502H well**, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the W/2 E/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico.

27. ***Case No. 16171: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico;*** Applicant seeks an order pooling all mineral interests within the Bone Spring formation (Pool Code WC-205 G-05 S-253209L; Bone Spring 96715), dedicated to its **Paduca 16 State 503H well**, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the E/2 W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico.

28. ***Case No. 16172: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico;*** Applicant seeks an order pooling all mineral interests within the vertical limits of the Wolfcamp formation (Pool Code 98270), dedicated to its **Paduca 16 State 701H well**, non-standard 160 acre spacing and proration unit, unorthodox location, underlying the W/2 W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico.

29. ***Case No. 16173: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico;*** Applicant seeks an order pooling all mineral interests within the vertical limits of the Wolfcamp formation (Pool Code 98270), dedicated to its **Paduca 16 State 702H well**, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the W/2 E/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico.

30. ***Case No. 16174: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico;*** Applicant proposes an order pooling all mineral interests within the vertical limits of the Wolfcamp formation (Pool Code 98270), dedicated to its **Paduca 16 State 703H well**, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the E/2 W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico.

31. Other business.

32. Next meeting: February 14, 2019

33. 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, please 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.