

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
PRELIMINARY AGENDA AND DOCKET
REGULAR MEETING
August 13, 2020
9:00 a.m.**

The Oil Conservation Commission meeting will be held via Webex Meeting platform. The public meeting can be accessed by using the following link and/or meeting information:

OCC Meeting – August 13, 2020
Hosted by Adrienne Sandoval

Thursday, August 13, 2020 (UTC-06:00) Mountain Time (US & Canada)
Meeting number: 146 785 2829
Password: MbSjX3Z2en8
<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m53addb417ad1386a3bd2061d42be7f90>

Join by video system
Dial [1467852829@nmemnrd.webex.com](tel:1467852829)
You can also dial 173.243.2.68 and enter your meeting number.

Join by phone
+1-408-418-9388 United States Toll
Access code: 146 785 2829

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) 476-3458 or through the New Mexico Relay Network at 1-800-659-1779 by **August 3, 2020**. Public documents can be provided in various accessible formats. A preliminary agenda will be available to the public no later than two weeks prior to the meeting. 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 at the phone number indicated above. Also, the agenda will be posted on the Oil Conservation Division website at www.emnrd.state.nm.us/OCD/

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. Approval of the agenda
3. Approval of the July 30, 2020 minutes

4. **Case No. 20779:** *(Continued from the April 23, 2020 Commission Meeting)*
Application of Lucid Energy Delaware, LLC for authority to inject, Lea County, New Mexico. Lucid Energy Delaware, LLC (Lucid) requests an order from the New Mexico Oil Conservation Commission (NMOCC) authorizing it to inject acid gas and carbon dioxide (CO₂) from the Lucid Gas Processing Plant (the "Plant") into its proposed AGI#2 well. This well will be located on Lucid's operating Plant in Lea County, New Mexico. The proposed AGI well will be located in Section 13, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico. Lucid plans to inject up to 13 million standard cubic feet per day (MMSCFD) of treated acid gas from the Plant at a maximum pressure of 4,838 psig into this well in the Devonian through Fusselman Formations, approximately 16,000 to 17,600 feet below the surface. The proposed well will serve as a disposal well for acid gas and CO₂ from the Plant.

5. **Case No. 21273 (De Novo Case No. 20865):** **Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the S/2 N/2 of Section 12 of Township 23 South, Range 28 East; and Section 7 of Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Valkyrie 12 SB Federal Com 13H** well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately 4 miles Northeast of Loving, New Mexico. Upon application of BTA Oil Producers, LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.1.4.23 NMAC.

6. **Case No. 21274 (De Novo Case No. 20866):** **Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the N/2 of Section 12, Township 23 South, Range 28 East and Section 7 of Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Valkyrie 12 WXY Federal Com 1H, Valkyrie 12 WA Federal Com 3H, Valkyrie 12 WXY Federal Com 5H, Valkyrie 12 WD Federal Com 2H, Valkyrie 12 WD Federal Com 4H, Valkyrie 12 WD Federal Com 6H** wells, to be horizontally drilled. The producing area for these wells will be unorthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 4 miles Northeast of Loving, New Mexico. Upon application of BTA Oil Producers, LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC.

7. **Case No. 21275 (De Novo Case No. 20916):** **Application of Novo Oil & Gas Northern Delaware, LLC for compulsory pooling, Eddy County, New Mexico.** Novo Oil & Gas Northern Delaware, LLC applies for an order pooling all mineral interests in the Wolfcamp formation underlying a (proximity tract) horizontal spacing unit comprised of the N/2 of Section 8 and the N/2 of Section 9, Township 23 South, Range 29 East, NMPM. The unit will be dedicated to the **Astrodog Fed. Com. 0809 Well Nos. 211H, 212H, 215H, 221H, 222H, 225H, 231H, 232H, and 235H**, horizontal wells with first take points in the W/2NW/4 of Section 8 and last take points in the E/2NE/4 of

Section 9. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 6 miles northeast of Loving, New Mexico. Upon application of BTA Oil Producers, LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC.

8. **Case No. 21276 (De Novo Case No. 20917): Application of Novo Oil & Gas Northern Delaware, LLC for compulsory pooling, Eddy County, New Mexico.** Novo Oil & Gas Northern Delaware, LLC applies for an order pooling all mineral interests in the Bone Spring formation (from 8773 feet subsurface as found in the Road **Lizard 5 Fed. Com. Well No. 2H** [API No. 30-015-39283] to the base of the Bone Spring formation) underlying a (proximity tract) horizontal spacing unit comprised of the N/2 of Section 8 and the N/2 of Section 9, Township 23 South, Range 29 East, NMPM. The unit will be dedicated to the **Astrodog Fed. Com. 0809 Well Nos. 111H, 112H, 131H, 132H, and 135H**, horizontal wells with first take points in the W/2NW/4 of Section 8 and last take points in the E/2NE/4 of Section 9. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 6 miles northeast of Loving, New Mexico. Upon application of BTA Oil Producers, LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC.
9. Pending litigation
10. Other business
11. Next meeting: September 17, 2020
9. Adjournment