

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PRELIMINARY AGENDA AND DOCKET
NEW MEXICO OIL CONSERVATION COMMISSION MEETING

December 7, 2017

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 November 9, 2017 meeting.
4. Final action may be taken in the following case:

Case No. 15654: De Novo Application of Mesquite SWD, Inc. to Amend Approvals for Salt Water Disposal Wells in Lea and Eddy Counties.

5. **Case No. 15655 (De Novo): Application of Black Mountain Operating LLC for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and an Unorthodox Well Location, Lea County, New Mexico.** Applicant seeks an order approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the W/2 SW/4 of Section 35, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico and the W/2 W/2 of Section 2, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Grama Ridge State Com 1H well** to be drilled at an unorthodox location approximately 144,3 feet from the south line and 911 feet from the west line (surface) of Section 2, Township 22 South, Range 34 East, to 2371 feet from the south line and 330 feet from the west line (terminus) of Section 35, Township 21 South, Range 34 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 17 miles west of Eunice, New Mexico. Upon applications of BTA Oil Producers, LLC and Centennial Resources Production, LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC.

6. **Case No. 15659 (De Novo): Application of GMT Exploration Company LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.** GMT Exploration Company LLC 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 2, Township 22 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit (project area). The unit will be dedicated to the **Pucker Rapid State Com. Well No. 1H**, a horizontal well with a surface location in the SW/4 SW/4, and a terminus in the NW/4 NW/4, of Section 2. The beginning and end of the productive interval will be orthodox. 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 12 miles west-southwest of Oil Center, New Mexico. Upon applications of BTA Oil Producers, LLC and Centennial Resources Production, LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC.

7. **Case No. 15656 (De Novo): Application of Black Mountain Operating LLC for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, and an Unorthodox Well Location, Lea County, New Mexico.** Applicant seeks an order approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the E/2 SW/4 of Section 35, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico and the E/2 W/2 of Section 2, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Gramma Ridge State Com 3H well** to be drilled at an unorthodox location approximately 144.3 feet from the south line and 971 feet from the east line (surface) of Section 2, Township 22 South, Range 34 East, to 2387 feet from the south line and 1707.7 feet from the east line (terminus) of Section 35, Township 21 South, Range 34 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 17 miles west of Eunice, New Mexico. Upon applications of BTA Oil Producers, LLC and Centennial Resources Production, LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC.

8. **Case No. 15660 (De Novo): Application of GMT Exploration Company LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.** GMT Exploration Company LLC seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 W/2 of Section 2, Township 22 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit (project area). The unit will be dedicated to the **Squeeze State Com. Well No. 1H**, a horizontal well with a surface location in the SE/4 SW/4, and a terminus in the NE/4 NW/4, of Section 2. The beginning and end of the productive interval will be orthodox. 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 12 miles west-southwest of Oil Center, New Mexico. Upon applications of BTA Oil Producers, LLC and Centennial Resources Production, LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC.

9. Other Business

10. Next meeting: January 18, 2018

11. 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.