

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PRELIMINARY AGENDA AND DOCKET
REGULAR MEETING

April 11, 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 March 12, 2019 Commission Meeting.

Upon the application of Marathon Oil Permian, LLC, the following six cases (Items 4 through 9) will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC. These cases were continued from the March 12, 2019 Commission Meeting.

4. ***Case No. 16313: (readvertised) Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a 480-acre horizontal spacing unit comprised of the SE/4 of Section 21 and the E/2 of Section 28, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the **Kansas 21/28 W0IP Fed. Com. Well No. 2H** and the **Kansas W2IP Fed. Com. Well No. 1H**, horizontal wells with surface locations in the NE/4 SE/4 of Section 21, and last take points in the SE/4 SE/4 of Section 28. The producing intervals will be orthodox. 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 2-1/2 miles southwest of Malaga, New Mexico.
5. ***Case No. 16234: Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 480-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the NE/4 of Section 21 and the E/2 of Section 16, Township 24 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the

Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the **Creedence 21/16 W0HA State Com. Well No. 1H** and the **Creedence W0HA State Com. Well No. 2H**, horizontal wells with surface locations in the SE/4 NE/4 of Section 21, and bottomhole locations in the NE/4 NE/4 of Section 16. 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 1 mile west of Malaga, New Mexico

6. **Case No. 16235: Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 480-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the NW/4 of Section 21 and the W/2 of Section 16, Township 24 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the **Creedence 21/16 W2ED State Com. Well No. 1H** and the **Creedence W0ED State Com. Well No. 2H**, horizontal wells with surface locations in the SW/4 NW/4 of Section 21, and bottomhole locations in the NW/4 NW/4 of Section 16. 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 1-1/2 mile west of Malaga, New Mexico.
7. **Case No. 16386: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the W/2 NE/4 of Section 21 and the W/2 E/2 of Section 16, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the **Creedence 21/16 B3GB State Com. Well No. 1H**, a horizontal well a first take point in the SW/4 NE/4 of Section 21 and a last take point in the NW/4 NE/4 of Section 16. 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 1 mile west of Malaga, New Mexico.
8. **Case No. 16387: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the E/2 NE/4 of Section 21 and the E/2 E/2 of Section 16, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the **Creedence 21/16 B3HA State Com. Well No. 1H**, a horizontal well a first take point in the SE/4 NE/4 of Section 21 and a last take point in the NE/4 NE/4 of Section 16. 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 1 mile west of Malaga, New Mexico.
9. **Case No. 16388: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the NE/4 of Section 21 and the E/2 of Section 16, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the **Creedence 21/16 W0GB State Com. Well No. 3H**, the **Creedence W2GB State Com. Well No. 4H**, the **Creedence 21/16 W2HA State Com. Well No. 5H**, the **Creedence 21/16 W2GB State Com. Well No. 6H**, and the **Creedence 21/16 W2GB State**

Com. Well No. 7H, horizontal wells with surface locations in the S/2 NE/4 of Section 21, and final take points in the N/2 NE/4 of Section 16. 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 1 mile west of Malaga, New Mexico.

10. ***Case No. 20409: Application of 3Bear Field Services, LLC for authority to inject, Lea County, New Mexico.*** 3Bear Field Services, LLC (3Bear) requests an order from the NM Oil Conservation Commission authorizing it to inject acid gas and carbon dioxide (CO₂) from the proposed 3Bear Libby Gas Processing Plant (the “Plant”) into its proposed 3Bear Libby AGI#1 and Libby AGI#2 wells. These two wells will be located on 3Bear’s proposed Plant in Lea County, New Mexico. The proposed AGI wells will be located in Section 26, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. 3Bear plans to inject a cumulative amount of up to 8 million standard cubic feet per day (MMSCFD) of treated acid gas from the Plant at a maximum pressure of 4,525 psig into these wells in the Devonian through Fusselman Formations, approximately 14,900 to 16,400 feet below the surface. The proposed wells will serve as the disposal wells for acid gas and CO₂ from the Plant. This application has been set for hearing before the New Mexico Oil Conservation Commission at 9:AM on April 11th, 2019, in Porter Hall at the New Mexico Oil Conservation Division’s Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.
11. Pending litigation
12. Other business.
13. Next meeting: May 9, 2019
14. 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.