

NOTICE OF HEARING

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

The State of New Mexico, through its Oil Conservation Commission, hereby gives notice pursuant to law and Commission rules of the following public meeting to be held at 9:00 a.m. on **March 25, 2021**.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and meetings will be conducted remotely. 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 March 25, 2021

Event:

Type: Unlisted Event

Event address for attendees: <https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=ed086a8e943a32a2bfe87f90478ec5629>

Date and time: Thursday, March 25, 2021 9:00 am
Mountain Daylight Time (Denver, GMT-06:00)

Duration: 9 hours

Description:

Event number: 187 475 6022

Event password: BUgWP4pUE44

Video Address: 1874756022@nmemnrd.webex.com
You can also dial 173.243.2.68 and enter your meeting number.

Audio conference: To receive a call back, provide your phone number when you join the event, or call the number below and enter the access code.
United States Toll
+1-408-418-9388
[Show all global call-in numbers](#)
Access code: 187 475 6022

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) 470-5480 or through the New Mexico Relay Network at 1-800-659-1779 by **March 15, 2021**. 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/

Adopt Annual Resolution setting forth reasonable notice standards for Commission Public

Meetings

Final action may be taken in:

Case No. 21528: Public rulemaking hearing under 19.15.3 NMAC on the application of the New Mexico Oil Conservation Division to consider proposed rules to regulate the venting and flaring of natural gas from oil and natural gas production and gathering facilities.

Upon the application of MRC Permian Company, the following two cases will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC:

De Novo Case No. 21523:

Case No. 21317: Application of Colgate Operating, LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 233-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the S/2 NW/4 equivalent of irregular Section 18, Township 19 South, Range 29 East and the S/2 N/2 of Section 13, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Atlas 18 State Fed Com 122H and 132H wells, to be horizontally drilled. The producing intervals for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 16.5 miles north northeast of Carlsbad, New Mexico.

De Novo Case No. 21524:

Case No. 21318: Application of Colgate Operating, LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 233-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 NW/4 equivalent of irregular Section 18, Township 19 South, Range 29 East and the N/2 N/2 of Section 13, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Atlas 18 State Fed Com 131H well, to be horizontally drilled. The producing interval for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Colgate as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 16.5 miles north northeast of Carlsbad, New Mexico.

Upon the application of Marathon Oil Permian LLC, the following three cases will be heard De Novo pursuant to the provisions of 19.15.4.23 NMAC:

De Novo Case No. 21473:

Case No. 21351: Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 19 and 30, Township 18 South, Range 35 East, Lea County, New Mexico. Said horizontal spacing unit will be initially dedicated to the proposed Rope 183519 1H Well to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 18 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 30. The completed interval for the proposed well will remain within 330 feet of the W/2 E/2 of Sections 19 and 30 to allow inclusion of this offsetting acreage in a standard horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as

operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles West of Hobbs, New Mexico.

De Novo Case No. 21474:

Case No. 21353: Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the SW/4 of Section 33, Township 18 South, Range 35 East, and the W/2 of Section 4, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed Alpha 183533 1H Well to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 33 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 4. The completed interval for the proposed well will remain within 330 feet of the E/2 SW/4 of Section 33 and E/2 W/2 of Section 4 to include this offsetting acreage in a standard horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 20 miles West of Hobbs, New Mexico

De Novo Case No. 21475:

Case No. 21355: Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 20 and 29, Township 18 South, Range 35 East, Lea County, New Mexico. Said horizontal spacing unit will be initially dedicated to the proposed Ball 183529 1H Well to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 32 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 20. The completed interval for the proposed well will remain within 330 feet of the W/2 E/2 of Sections 20 and 29 to allow inclusion of this offsetting acreage in a standard horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 21 miles West of Hobbs, New Mexico.

De Novo Case No. 21744:

Case No. 21629: Application of Cimarex Energy Co. for Hearing De Novo of Case No. 21629, Eddy County, New Mexico. The New Mexico Oil Conservation Division issued Order No. R-21575 in Case No. 21629. Magnum Hunter Production, Inc., an affiliate of Cimarex Energy Co. (collectively referred to herein as “Cimarex”) owned a working interest in the unit pooled by Order No. R-21575, issued pursuant to a hearing held before the Division on January 7, 2021. Cimarex, a party of record adversely affected by Order No. R-21575, requests that the matter raised in this case be heard *de novo* before the Oil Conservation Commission pursuant to NMSA 1978, §70-2-13.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 4th day of March, 2021.

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

S E A L

Adrienne Sandoval, Chair