

**PRELIMINARY AGENDA  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
April 13, 2023  
9:00 A.M.**

The Oil Conservation Commission meeting will be in a hybrid meeting with both in person and virtual participation options. Commission members will be meeting at the Wendell Chino Building, 1220 South St. Francis Dr., Santa Fe, NM 87505 – Secretary’s Conference Room. Due to ongoing construction and associated space limitations at the Wendell Chino Building, Parties, Counsel for Parties, and the public are encouraged to attend//participate via the Webex Meeting platform. The public meeting can be accessed by using the following link and/or meeting information:

**Physical Location:** Wendell Chino Building, 1220 South St. Francis Dr., Santa Fe, NM 87505 – Secretary’s Conference Room (as noted above due to ongoing construction, virtual participation is encouraged)

**Webex Access Information:**

New Mexico Oil Conservation Commission - April 13, 2023

Hosted by Dylan Fuge

<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m7e0b32dd37cb322d0a93ce12cf9cc435>

**Thursday, April 13, 2023 9:00 AM** | 8 hours | (UTC-07:00) Mountain Time  
(US & Canada)

**Meeting number:** 2499 715 4001

**Password:** 5nSgKh9t4DU (56745498 from video systems)

**Agenda:** TBD

Join by video system

Dial [24997154001@nmemnrd.webex.com](mailto:24997154001@nmemnrd.webex.com)

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: 249 971 54001

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 **April 3, 2023**. 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.nm.gov/ocd](http://www.emnrd.nm.gov/ocd).

**The following items are for discussion and possible action:**

1. **Roll call**
2. **Approval of the April 13, 2023 Agenda**
3. **Approval of the March 9, 2023 Meeting Minutes**
4. **Pending litigation**

In the Ragsdale matter (*Ragsdale v. New Mexico Oil Conservation Comm'n and Mewbourne Oil Co.*, D-101-CV-2022-00791), the Court has granted Ms. Sharon Shaheen's motion to withdraw as counsel for the appellant, Tom M. Ragsdale.

There are no updates regarding the pending Marker matter (*Marker v. New Mexico Oil Conservation Comm'n and Marathon Oil Co.*, A-1-CA-39578).

5. **Status Conferences**

**Case No. 14720:** Status conference for Targa Northern Delaware, LLC (Targa), the current operator of the Red Hills AGI #1 well, shall submit to the Commission (1) injection data covering the first four years of Agave Energy Company's operation of the Red Hills AGI #1 Well, located in Section 13, Township 24 South, Range 33 East, and (2) an updated model of the projected scope of the injection plume after 30 years of injection, which update shall be based on the injection data and any other relevant data concerning the reservoir.

**Case No. 23294:** Status conference for Salt Creek Midstream, LLC to Amend Order No. R-20913-D. Applicant requests that the New Mexico Oil Conservation Commission issue an order amending Order No. R-20913-D to extend the deadline for Salt Creek to commence injection into the Salt Creek Midstream AGI No. 1 Well (API: 30-25-46746) ("Well") until six months from the date of the amended order. The Well is a vertical Underground Injection Control Class II well with an approximate surface and bottom hole location at 594 feet from the West line and 2,370 feet from the South line of Section 21, Township 26 South, Range 36 East. The target injection zone for the Well is located in the Bell Canyon and Cherry Canyon formations at depths of approximately 5,410 feet to 7,000 feet. Applicant's current deadline to commence injection expires on December 28, 2022.

6. **Adjudications**

**None.**

***Update: Pursuant to OCC rules, following publication of OCC meeting notice the Chair granted an uncontested continuance motion filed by the parties. All cases below were continued to June 8, 2023.***

**De Novo Case No. 21744: 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.

**The following two cases, Nos. 22018 and 22019, were referred to the Oil Conservation Commission by the Oil Conservation Division Director to be heard with De Novo Case 21744:**

**Case 22018: Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 479.39-acre, more or less, horizontal spacing and proration unit comprised of the S/2 N/2 of Sections 2 and 1, Township 20 South, Range 29 East; and the S/2 N/2 of Section 6, Township 20 South, Range 30 East; NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying the unit. Said horizontal spacing unit is to be dedicated to the Crest 2-1-6 State Fed Com 2H Well, to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 2 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 6. The completed interval and first take and last take point for the well meets the Division's statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 12 miles northeast of Carlsbad, New Mexico.

**Case 22019: Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 484.63-acre, more or less, horizontal spacing and proration unit comprised of the N/2 N/2 of Sections 2 and 1, Township 20 South, Range 29 East; and the N/2 N/2 of Section 6, Township 20 South, Range 30 East; NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation underlying the unit. Said horizontal spacing unit is to be dedicated to the Crest 2-1-6 State Fed Com 1H Well, to be horizontally drilled from a surface location in SW/4 NW/4 (Unit E) of Section 2 to a bottom hole location in Lot 1 (aka NE/4 NE/4) of Section 6. The completed interval and first take and last take point for the well meets the Division's statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 12 miles northeast of Carlsbad, New Mexico.

7. **Other business**

8. **Next meeting – May 11, 2023**

9. **Adjournment**