

NOTICE OF HEARING

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

August 11, 2022

9:00 A.M.

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:

Event: OCC Meeting August 11, 2022
Type: Unlisted Event
Event address for attendees: [hlyhttps://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=ef29ec004d44313e957b1af42277d4fad](https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=ef29ec004d44313e957b1af42277d4fad)
Date and time: Thursday, August 11, 2022 9:00 am
Mountain Daylight Time (Denver, GMT-06:00)
Duration: 9 hours
Duration: 9 hours
Event number: 2484 019 7389
Event password: ueU7vCY5eG5
Video Address: 24840197389@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: 2484 019 7389

The following items are for discussion and possible action:

1. Roll Call
2. Approval of Agenda
3. Approval of the July 14, 2022 Meeting Minutes
4. 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.

Referred to the Oil Conservation Commission by Adrienne Sandoval, Division Director:

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.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico.

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**



Adrienne Sandoval, Chair