

**Agenda No. 08-23**

**PRELIMINARY AGENDA  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
August 17, 2023  
9:00 A.M.**

The State of New Mexico Oil Conservation Commission meeting will be held in a hybrid format with both in- person and virtual participation options. The meeting will be held in Room 317 at the New Mexico State Capitol, 490 Old Santa Fe Trail, Santa Fe, New Mexico. The Commission's public meeting can also be accessed by using the following link and/or meeting information:

**Physical Location: New Mexico State Capitol, Rm 317**

New Mexico Oil Conservation Commission - August 17, 2023 Meeting

<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m4060a13c5d63b1aa0be7e23221c39fa8>

Thursday, August 17, 2023 9:00 AM | 8 hours | (UTC-06:00) Mountain Time (US & Canada)

Meeting number: 2497 360 1331

Password: OCCAugust23! (62228487 from video systems)

Join by video system

Dial [24973601331@nmemnrd.webex.com](tel:24973601331@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: 249 736 01331

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 **August 7, 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 August 17, 2023 Agenda
3. Approval of the July 13, 2023 Meeting Minutes
4. Pending cases:

**Prior Cases**

Parties were directed to reappear before the Commission to provide additional information in the following cases that were heard at the July 13, 2023, Commission meeting:

**Case No. 23580:** Application of the Wildearth Guardians in the matter of Proposed Amendment to the Commission's Rules to Address Perfluoroalkyl and Polyfluoroalkyl Substances and Their Use in Oil and Gas Extraction, 19.15.2, 19.15.16, 19.15.31, and 19.15.32 NMAC.

**Case No. 23649:** Targa Northern Delaware LLC ("Targa") seeks authorization to drill and operate a class II acid gas injection (AGI) well, the Red Hills AGI #3 well, at Targa's gas processing facility ("Facility") in Lea County, New Mexico, a vertical well with a surface location of approximately 3,116 feet from the north line (FNL) and 1,159 feet from the east line (FEL) in Section 13, Township 24 South, Range 33 East, Lea County, New Mexico. The Red Hills AGI #3 well will inject waste carbon dioxide and hydrogen sulfide into the Bell Canyon and Cherry Canyon formation from approximately 5,700 feet to 7,600 feet. The maximum surface pressure will not exceed 1,767 psi with a maximum daily injection volume of thirteen (13) million standard cubic feet per day (MMSCFD). The proposed well will serve as a disposal well for treated acid gas at the Facility. The Well is located approximately 20 miles west of Jal, New Mexico

**New Cases:**

**Case No. 22871:** Application of Chevron Production Company for compulsory pooling all uncommitted interests in the Bone Spring formation, underlying a standard 320-acre horizontal spacing unit comprised of the E/2 W/2 of Sections 17 and 20, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be initially dedicated to the proposed Wildcatter 17 20 Fed Com 47 2H well to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 20 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 17. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 9 miles east of White City, New Mexico.

**Case No. 22872:** Application of Chevron Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation, underlying a standard 640-acre horizontal spacing unit comprised of the E/2 of Sections 17 and 20, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be initially dedicated to the proposed Wildcatter 17 20 Fed Com 47 3H and the Wildcatter 17 20 Fed Com 47 4H wells to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 20 to bottom hole locations in the NW/4 NE/4 (Unit B) and the NE/4 NE/4 (Unit A), respectively, of Section 17. The completed interval for the Wildcatter 17 20 Fed Com 47 4H well is projected to be less than 330' from the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 9 miles east of White City, New Mexico.

**De Novo Case No. 23049:** Application of Cimarex Energy Co. for compulsory pooling, Eddy County, New Mexico, has been dismissed pursuant to an unopposed motion of the applicant,

**which motion also requested remand of the following four cases to the division for the next uncontested Examiner Hearing:**

**Case No. 23088:** Application of Cimarex Energy Co. for compulsory pooling, approval of overlapping well units, and to allow two operators in a well unit, Eddy County, New Mexico.

**Case No. 23089:** Application of Cimarex Energy Co. for compulsory pooling and approval of overlapping well units, Eddy County, New Mexico.

**Case No. 23090:** Application of Cimarex Energy Co. for compulsory pooling and approval of overlapping well units, Eddy County, New Mexico.

**Case No. 23091:** Application of Cimarex Energy Co. for compulsory pooling and approval of overlapping well units, Eddy County, New Mexico.

**Case No. 23655 (Set for Status Conference Only):**

Application of the Joint Industry Technical Committee to Amend Order No. R-111-P, Lea and Eddy Counties, New Mexico. Applicant in the above-styled cause seeks to amend Commission Order R-111-P, adopted in 1988 under Case 9316, to add anti-collision measures, to modify the well casing and cementing requirements, to provide additional notification requirements to potash operators, to provide for subsidence monitoring, and to adopt other proposed changes for oil and gas development in the Known Potash Leasing Area located in Eddy and Lea Counties, New Mexico. This area presently consists of all or parts of:

Township 18 South, Range 30 East  
Township 19 South, Ranges 29 through 34 East  
Township 20 South, Ranges 29 through 34 East  
Township 21 South, Ranges 29 through 34 East  
Township 22 South, Ranges 28 through 34 East  
Township 23 South, Ranges 28 through 31 East  
Township 24 South, Ranges 29 through 31 East  
Township 25 South, Range 31 East

Said area extends approximately 50 miles east of Carlsbad, New Mexico and approximately 50 miles south of Maljamar, New Mexico. The affected area is more particularly described in Exhibit A to Commission Order R-111-P, which can be found on the Oil Conservation Commission website at: <https://ocdimage.emnrd.nm.gov/imaging/>.

6. Pending litigation

*Atencio v. State*, D-101-CV-202301038 (5/10/2023)

- No update

7. Other business

None

8. Next meeting – September 7, 2023 (reminder this meeting was rescheduled by the Commission from September 14, 2023)