

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
July 17, 2025
Meeting Minutes

The Oil Conservation Commission meeting was a hybrid meeting with both in person and virtual participation options. The meeting was held in the Pecos Hall Hearing Room at the Wendell Chino Building, First Floor, 1220 South St. Francis Drive, Santa Fe, New Mexico.

MEMBERS PRESENT:

Albert Chang	Chair, Oil Conservation Commission
William Ampomah	Designee, Energy, Minerals and Natural Resources Department
Greg Bloom	Designee, New Mexico State Land Office

OTHERS PRESENT:

Zachary Shandler	Commission Counsel
Sheila Apodaca	Commission Clerk

The meeting was called to order by Chair Albert Chang at 9:00 a.m.

Item 1. Roll Call.

Action: Roll was taken; a quorum was present.

Item 2. Approval of the Agenda.

Action: Commissioner Bloom moved to approve the Agenda. Commissioner Ampomah seconded the motion. Roll call was taken and the motion was unanimously approved.

Item 3. Approval of the June 24, 2025 Meeting Minutes

Action: Commissioner Bloom moved for the approval of the Minutes with the correction of the following typographical errors: (1) under “action” in the third item, it should state: “change the word ‘provide’ to ‘provided’; (2) on page 3, under “Action,” change the sentence to read: “Ms. Lubbock stated that the Commission had already suggested that the case be continued.” Commissioner Ampomah noted that Page 1 should state that the meeting was called to order by Chair Albert Chang and not Acting chair Razatos. With those changes, he seconded the motion. The motion was approved without objection.

Item 4. Pending cases:

Case No. 25460: Application by Coterra Energy Operating Co. for Hearing De Novo of Division Case No. 24472, Order No. R-23808, Lea County, New Mexico.

Coterra Energy Operating Co. requests a hearing de novo before the full Oil Conservation Commission to review the matter and proceedings involving Case No. 24472, concerning Franklin Mountain Energy 3, LLC's Application for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico, with regard to mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the Treble State Com 703H and Treble State Com 803H wells to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 34. The producing area for the well is expected to be orthodox. The proposed horizontal spacing unit will partially overlap with a Wolfcamp spacing unit dedicated to a 40-acre vertical spacing unit comprised of the SW/4 NE/4 (Unit G) of Section 27, dedicated to North Fork Operating, LP's Toro 27 #005H well (API 30-025-35425). Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles southwest of Hobbs, New Mexico.

Matter to be heard: Status Conference

Action: Deana Bennett appeared on behalf of Coterra Energy Operating (Applicant).

Ms. Bennett presented a brief overview of the application, stating that this is primarily a legal issue. She proposed that prior to setting an evidentiary hearing, the parties brief the matter as to why the Oil and Gas Act does not support the 330-foot setback allowed under Order No. R-23808. The following briefing schedule was proposed: Coterra's opening brief will be filed on or before September 2, 2025; responses would be filed on or before September 30, 2025; and Coterra's reply will be filed on or before October 20, 2025. The Commission can then hold a hearing or rule on the pleadings, and then Coterra will decide whether an actual de novo hearing is necessary.

Commissioner Bloom moved to accept the proposed briefing schedule, Commissioner Ampomah seconded the motion. Without objection the motion was approved with a 3-0 vote in favor of the motion.

Case No. 25297: Application of XTO Permian Operating LLC for exceptions to the well casing program requirement under Order No. R-111-Q, Eddy County, New Mexico.

Application of XTO Permian Operating LLC for approval of exceptions to the well casing program requirements provided under Order No. R-111-Q for three wells: (1) the James Ranch Unit DI 7 Sawtooth #116H (API No. 30-015-54882); (2) James

Ranch Unit DI 7 Sawtooth Federal C #117H (API No. 30-015-54883); and (3) James Ranch Unit DI 7 Sawtooth #708H (API No. 30-015-54960)

Matter to be heard: Evidentiary Hearing.

Action: Michael Feldewert appeared on behalf of Applicant, XTO Permian Operating, LLC. Mr. Feldewert provided overview of the application. XTO Exhibits A, B and C were admitted without objection.

Jesse Tremaine appeared on behalf of the Oil Conservation Division. OCD has reviewed XTO's materials, in particular the corrective actions and mitigation steps outlined by XTO. OCD is satisfied that they are adequate to prevent waste.

OCD employee Justin Wrinkle was placed under oath and questioned by Mr. Tremaine regarding the process OCD used to review the mitigation strategies.

Commissioners Ampomah and Bloom had additional questions for OCD and Mr. Wrinkle. Commission Counsel questioned OCD regarding the verbiage for an exception (like, adequate, equal to) for preparation of an Order.

Commission Chair Chang questioned Mr. Feldewert regarding protection of the potash resource.

Commissioner Bloom moved to approve the Application. Commissioner Ampomah seconded the motion. Without objection, the motion was unanimously approved.

Case No. 25237: DeNovo Appeal by American Energy Resources, LLC, of Order No. R-23405, Division Case No 24517, concerning an application covering Well Nos. Roche 101H, 102H and 103H, Sections 2 and 11, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

Matter to be heard: Evidentiary Hearing

Action: Jonathan Samaniego appeared on behalf of American Energy Resources [AER]. Benjamin Holliday appeared on behalf of Silverback Operating. Jesse Tremaine appeared on behalf of OCD.

Silverback filed a motion seeking to extend this matter to the August meeting for two reasons: counsel is out of town and American Energy has not filed any response briefing in this case. AER objects to the motion. OCD takes no position on the motion. OCD counsel suggests it may be appropriate to just consider briefing from the parties rather than an evidentiary hearing.

Commission Counsel itemized the ways in which the witness and exhibit disclosures made so far are insufficient and this case is not ready for an evidentiary hearing. He suggested that the Commission may want to hear from AER to find out

whether this is a judiciable matter in front of the Commission. The Commission asked AER for its position.

Commissioner Bloom motioned to table the motion for continuance, Commissioner Ampomah seconded the motion. The Commission unanimously voted to table the motion for continuance while the Commission heard argument from the parties as to whether this case is in the proper venue with the OCC, or whether this is a title issue that belongs before the district court.

After hearing oral argument by the parties, Commissioner Bloom motioned for dismissal of the case, without prejudice to refile once AER can show that it has standing. Commissioner Ampomah seconded the motion. Without objection, the motion was unanimously approved. Mr. Samaniego objected to the dismissal and his objections are noted.

All remaining motions filed in this matter are moot since the underlying case has been dismissed for lack of jurisdiction.

Item 5: Pending Litigation

Action: There was no pending litigation to discuss.

Item 6: Other business

Action: Commissioner Ampomah moved for the deliberations in the Goodnight-Empire matter to be held during the regular OCC meeting in August. Commissioner Bloom seconded the motion. Without objection, the motion was unanimously approved.

Item 7: Next Meeting

Action: Next meeting is on August 14, 2025.

Item 8: Adjourn

Action: Commissioner Bloom moved to adjourn the meeting. Commissioner Ampomah seconded the motion. Without objection, the meeting was adjourned at 10:20 a.m.



Albert Chang, Chair