

**STATE OF NEW MEXICO**  
**OIL CONSERVATION COMMISSION**  
**Meeting Minutes**  
**Regular Meeting**  
**June 9, 2022**

The Oil Conservation Commission meeting was held via Webex Meeting Platform.

**MEMBERS PRESENT:**

|                   |   |
|-------------------|---|
| Adrienne Sandoval | Chair, Oil Conservation Division                            |
| Greg Bloom        | Designee, New Mexico State Land Office Commissioner         |
| William Ampomah   | Designee, Energy, Minerals and Natural Resources Department |

**OTHERS PRESENT:**

Christopher Moander, Commission Counsel  
Florene Davidson, Commission Clerk

The hearing was called to order by Chair Sandoval at approximately 9:03 a.m.

**Item 1.** Roll Call.

**Action:** Roll was taken; a quorum was present.

**Item 2.** Approval of the Agenda.

**Action:** Commissioner Bloom made a motion to adopt the agenda and Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried.

**Item 3.** Approval of the June 3, 2022 Meeting Minutes

**Action:** Commissioner Bloom made a motion to approve the June 3, 2022 minutes and Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried.

**Item 4.** For Review and Vote on Order: De Novo Case No. 22474, OCD Case No. 22294: Application of COG Operating LLC for Compulsory Pooling, Lea County, New Mexico.

**Action:** Chair Sandoval advised that all Commissioners have reviewed the proposed order. Commissioner Bloom made a motion to adopt the order and Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried. Order No. R-21679-C was entered in Case No. 22474.

**Item 5:** Motion Hearing and Status Conference: 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.

**Action:** Appearances were made by Ernest Padilla for Colgate Operating, LLC (Colgate) and Darin Savage for Cimarex Energy Co. (Cimarex). Counsel Moander explained the motions being considered at this hearing and the order in this case which was adopted last month by the Commission.

The following motions were addressed by the Commission:

Motion to Invalidate, the Reply, and the Response, and whether the case should go back to the Oil Conservation Division (OCD) to review - Mr. Savage and Mr. Padilla agreed that this motion has been settled and should be dismissed.

Motion to Dismiss filed by Colgate - Mr. Padilla explained that Order No. R-21679-C resolves this issue and the Motion to Dismiss has been granted. Mr. Savage stated his belief that the original Motion to Dismiss filed by Colgate was denied and the Motion to Dismiss the competing applications with development plans from each party should be addressed. He believes Colgate’s Motion to Dismiss the competing applications should be denied.

Colgate’s Motion to Readopt the Order Below – Mr. Padilla argued there is nothing more to argue and the Commission should readopt the order. Mr. Savage argued that a party of record has the right to a de novo hearing. He requested the Commission to follow the process and review the competing applications.

Chair Sandoval summarized the history of the case. She said the core issue was if a good faith effort was met and should the order from the Division be invalidated. She advised that the de novo application has not been heard yet. She discussed the motions submitted by both parties and explained that the order entered by the Commission in this case did not intend to deny the applications for competing pooling orders. Commissioner Bloom made a motion to amend the previous order entered into by the Commission by denying the de novo hearing mentioned in paragraph 111 with respect to the OCD but that the OCC will still have a hearing on the competing two applications, and Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried.

Chair Sandoval directed Counsel Moander to draft an amended order to be adopted by the Commission at its July 14, 2022 meeting.

Commissioner Bloom made a motion to table the three motions discussed at this hearing until the close of the evidentiary hearing for the de novo competing compulsory pooling applications, and Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried.

After a discussion between the two opposing parties, the Commission, and the Commission counsel, Commissioner Bloom made a motion to reconsider the three motions, and Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried.

Motion to Invalidate – Commissioner Bloom made a motion to grant an OCC hearing to hear the competing compulsory pooling applications and deny the remainder of the requests in the motion, and Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried.

Motion to Dismiss Competing Applications – Commissioner Bloom made a motion to deny this motion, and Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried.

Motion to Deny Colgate's Motion to have the Commission Reaffirm its previous Order – Commissioner Bloom made a motion to deny this motion, and Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried.

De Novo Case 21744 was continued to the August 11, 2022 Commission hearing.

**Item 6.** De Novo Case No. 22309: Order R-21834, Case No. 21733: Application of Spur Energy Partners, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Yeso formation, underlying a standard 480-acre horizontal spacing unit comprised of the N/2 of Section 13, and the NE/4 of Section 14, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the above referenced spacing unit to the following wells: • The Aid North #10H well, and the Aid North #50H, each of which will be horizontally drilled from a common surface location in the NW/4 NE/4 (Unit B) of Section 14, to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 13; • The Aid North #11H well, the Aid North #12H well, the Aid North #51H well, and the Aid North #70H well, each of which will be horizontally drilled from a common surface location in the NW/4 NE/4 (Unit B) of Section 14 to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 13. The completed interval of the Aid North #11H well will remain within 330 feet of the quarter-quarter line separating the N/2 N/2 from the S/2 N/2 of Section 13 and the N/2 NE/4 from the S/2 SE/4 of Section 14 to allow inclusion of these proximity tracts into a standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof, actual operating costs, charges for supervision, designation of applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 13 miles south of Artesia, New Mexico.

**Action:** Counsel Moander advised that a request for dismissal of this case has been received. Counsel in the case advised that the request for dismissal was for the underlying OCD case which would negate the basis for this hearing. Adam Rankin, the counsel for Spur Energy Partners, LLC (Spur), made an unopposed motion to continue this case. Commissioner Bloom made a motion to deny the motion for dismissal and Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried. Commissioner Bloom made a motion to continue the case to July 14, 2022 for a status conference. Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried.

**Item 7.** Pending legislation

**Action:** Counsel Moander advised that there has been no progression in receiving a ruling from the Court of Appeals in Case A-1-CA-39578.

**Item 8.** Other business

**Action:** There was no other business.

**Item 9.** Next meeting

**Action:** The next meeting will be held on July 14, 2022.

**Item 10:** Adjournment

**Action:** Chair Sandoval adjourned the meeting at 10:20 a.m.

A handwritten signature in black ink, appearing to read 'A. Sandoval', written in a cursive style.

Adrienne Sandoval  
Chair