STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

Regular Meeting March 20, 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:

Gerasimos Razatos Acting Chair, Oil Conservation Division

William Ampomah

Greg Bloom

Designee, Energy, Minerals and Natural Resources Department

Designee, New Mexico State Land Office Commissioner [appearing]

remote via Microsoft Teams meeting]

OTHERS PRESENT:

Zachary Shandler Commission Counsel Sheila Apodaca OCC Law Clerk

The meeting was called to order by Acting Chair Razatos 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 February 20-28 and March 11, 2025 Meeting Minutes

Action: The March 11, 2025 Minutes are not complete and will be moved to the next

meeting. Commissioner Bloom will not vote on the February 20-28, 2025 Minutes as he was not a Commissioner at that meeting. Commissioner Ampomah motioned for approval of the February 20-28, 2025 Minutes, Commission Chair Razatos seconded the motion. Roll call was taken and the motion was approved

unanimously.

Item 4. Pending cases:

Case No. 25237: De Novo Appeal of Order in Division Case No. 24517.

Status Conference.

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Action:

Jesse Tremaine appeared on behalf of the Oil Conservation Division. Benjamin Holliday appeared on behalf of Silverback Operating II. Jonatham Samaniego appeared pro se on behalf of American Energy Resources.

Jonathan Samaniego delivered his position on the underlying OCD matter. Prepared to set for hearing.

Benjamin Holliday delivered the position of Silverback Operating II in the underlying OCD matter. Prepared to set for hearing.

Jesse Tremaine delivered OCD position in the underlying OCD matter. Prepared to set for hearing.

Pending Motions to Strike Jesse Tremaine, Silverback and Benjamin Holliday.

Acting Chair Razatos motioned to deny the motions to strike. Commissioner Bloom seconded the motion. Roll call was taken and the motion to deny motions to strike was unanimously approved.

This matter will be placed on the June OCC docket.

<u>Case No. 24683</u>: Application for Rulemaking to amend 19.15.2, 19.15.2, 19.15.5, 19.15.8, 19.15.9, and 19.15.25 NMAC. Status conference.

Action:

Tannis Fox, Morgan O'Grady, Matt Nykiel and Kyle Tisdale appeared on behalf of WELC. Michael Feldwert appeared on behalf of Oxy USA. Jesse Tremaine appeared on behalf of the OCD. Miguel Suazo appeared on behalf of NMOGA. Ann Tripp appeared on behalf of the Independent Petroleum Association of New Mexico. Matthias Sayer appeared on behalf of EOG.

Parties discussed the status of the redlined versions of the proposed rule amendments, hearing schedule. All parties agree on October dates for hearing, beginning on October 20th for two-plus weeks.

Next status hearing is set for April 7, 2025.

Case No. 24881: Application of Northwind Midstream Partners LLC for Approval of an Additional Redundant Acid Gas Injection Well and to Amend Order No. R-20913, As Amended, and SWD-2622 to Authorize an Increased Shared Maximum Daily Injection Rate, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) authorizing injection of treated acid gas ("TAG") for purposes of disposal into the proposed Titan AGI #4 well as an additional redundant acid gas injection ("AGI") well, and (2) to further amend Order No. R-21093-D, as amended, and SWD-2622 to authorize a shared maximum daily injection rate of 28.8 million standard cubic feet per day (MMSCFD) of TAG

for disposal through either or both its permitted Salt Creek AGI #2 well (API No. 30-025-53388) or the proposed Titan AGI #4 well. The proposed Titan AGI #4 well will be drilled as a deviated well with a surface location of approximately 2,529 feet from the north line (FNL) and approximately 617 feet from the west line (FWL) of Section 21, to a bottom hole location at approximately 1,100 FNL and 66 feet FWL in said Section 21, within Township 26 South, Range 36 East, Lea County, New Mexico. Injection will be into the Silurian-Devonian formations at depths of between approximately 17,570 to 19,130 feet below the ground through an openhole completion. The injection stream will consist of TAG comprised of approximately 80 percent carbon dioxide and 20 percent hydrogen sulfide from oil and gas wells in the area. The proposed maximum allowable operating pressure ("MAOP") requested for the Titan AGI #4 is approximately 5,811 psig. The subject well will be located approximately 7.5 miles southwest of Jal, N.M.

Evidentiary Hearing before the Oil Conservation Commission.

Action:

Adam Rankin appeared on behalf of Northwind Midstream Partners. Reagan Marble and Kaitlyn Luck appeared on behalf of Intervenor Desert Ram South Ranch. Jesse Tremaine appeared on behalf of Intervenor Oil Conservation Division.

Oral argument was held on Desert Ram South Ranch's Motion to Stay, including oral argument on the motion by Regan Marble, response by Adam Rankin and Jesse Tremaine, and questions by the Commission.

Acting Chair Razatos addressed Desert Ram's proposed permit conditions for any potential order. Suggests parties go back to drawing table to determine if the parties can reach some amicable conclusion. Further discussion was held with the parties and the Commission.

10:55 a.m. A recess was taken for the parties to confer.

11:55 a.m. Meeting resumed. The parties announced an agreement reached wherein Desert Ram will withdraw their intervention and the applicant will agree to conditions proposed by OCD, with some modifications.

The technical portion of the hearing will resume after the lunch break.

1:16 p.m. The meeting resumed.

Northwind's witness, David Allen White, was accepted as an expert witness. Exhibits A, B, C, D and E are admitted with no objection.

Mr. White offered testimony through direct examination, cross examination by the OCD, and cross examination by the commission.

Witness excused at 3:45 pm.

OCD witness, Million Gebremichael was accepted as an expert witness. Exhibits 1, 2 and 3 were admitted with no objection.

Mr. Gebremichael offered testimony through direct examination and cross examination by the commission.

Witness was excused at 4:15 p.m.

Commissioner Bloom moved to approve the permit requested by Northwind. Jesse Tremaine requested the Commission approve the permit with the conditions set out by OCD, with Condition No. 18 modified to reflect a 2-year modeling period.

The parties will draft an Order and submit it in advance of the next regularly scheduled Commission meeting. The Order will be presented at the April 21, 2025 Commission Meeting.

Item 5. Pending Litigation

There are no updates to report.

Item 5. Other business

Action: There was no other business to discuss.

Item 7. Next meeting

The next OCC meeting will be held on April 7, 2025.

Item 8. Adjournment

The meeting was adjourned at 4:40 p.m.

Gerasimos Razatos

Acting Chair