

**NOTICE OF PUBLIC MEETING  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
September 7, 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:

Hosted by Dylan Fuge

Meeting link:

<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mc7f881a011a0e64cb302afb350ed66bd>

Meeting number: 2499 090 0367

Password: OCCSept2023! (62273782 from video systems)

To join by video system: Dial [24990900367@nmemnrd.webex.com](tel:24990900367)

You can also dial 173.243.2.68 and enter your meeting number.

Join by phone: (408) 418-9388

Access code: 2499 090 0367

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 29, 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. 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 by visiting 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:**

Status Conference

**De Novo Case No. 21744: Application of Cimarex Energy Co. for Hearing De Novo of Case No. 21629, Eddy County, New Mexico** Application of Magnum Hunter Production, Inc., an affiliate of Cimarex Energy Co., ("Cimarex") to Reopen Case No. 21629, Eddy County, New Mexico. Applicant in the above styled cause seeks to reopen Case No. 21629 in order to determine grounds for the introduction and submission by Applicant of a competing pooling application for the Bone Spring formation underlying the N/2 N/2 of Sections 2 and 3, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. The lands are located approximately 15.5 miles northeast of Carlsbad, New Mexico.

**The following two cases were referred to the Oil Conservation Commission by the Division Director to be heard in conjunction with De Novo Case 21744:**

**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.

Cases set for Status Conference

**Case 23727: Application of Targa Northern Delaware LLC for Rehearing of Order No. R-13507-E, Lea County, New Mexico.** Targa Northern Delaware LLC ("Targa") requests that the Oil Conservation Commission reconsider conditions included in Order No. R-13507-E that impose certain requirements regarding monitoring of the Government L Com #001 Well (API 30-025-25604) in relation to Targa's operation of the Red Hills AGI #1 Well.

**Case 23686: Application of Chevron USA Inc. to Approve Saltwater Disposal Wells in Lea and Eddy Counties, New Mexico.** Chevron proposes to drill the Papa Squirrel State SWD #1 well at a surface location 1,928' from the South line and 870' from the West line, Unit L, Section 13, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico for the purpose of operating a salt water disposal well. Chevron seeks authority to inject salt water into the Bell Canyon/Cherry Canyon/Brushy Canyon formations from 4,625' to 8,939'.

**Both of the preceding cases were referred to the Commission by Order No. R-22827**

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**Case 23687: Application of Chevron USA Inc. to approve Saltwater Disposal Wells in Lea and Eddy Counties, New Mexico.** Chevron proposes to drill the Severitas 2 State SWD #1 well at a surface location 185' from the North line and 1,082' from the East line, Unit A, Section 2, Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico for the purpose of operating a salt water disposal well. Chevron seeks authority to inject salt water into the Bell Canyon/Cherry Canyon/Brushy Canyon formations from 2,343' to 6,012'.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



Dylan Edge  
Chair