# SPECIAL DOCKET: OIL CONSERVATION DIVISION HEARINGS - Friday, November 5, 2021

8:30 a.m.

Persons may view and participate in the hearings through the following link:

https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e3fd4233e1118ab30de7b9458bbcbb4ed

Event number: 2482 175 7276 Event password: eJkipA32WM7

Join by video: 24821757276@nmemnrd.webex.com

Numeric Password: 904782

You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free

Access code: 2482 175 7276

Applications for hearing shall be filed at least thirty (30) days in advance of the hearing date. A party who intends to present evidence shall file a pre-hearing statement no later than the close of business on the Thursday prior to the hearing date and serve a copy on the other parties, if any. The hearing examiner will dismiss the application if the applicant does not file and serve a pre-hearing statement as specified above.

NOTICE: The hearing examiner may call the following cases in any order in his or her discretion.

	Case Number	Description
1.	21727	Application of Apache Corporation for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Sections 29 and 30, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells: (1) the Palmillo 29-30 State Com #271H well (API No. 30-015-pending), and (2) the Palmillo 29-30 State Com #375H well (API No. 30-015-pending), to be drilled from a common surface hole location in NE/4 NE/4 (Unit A) of Section 25, Township 19 South, Range 27 East, to bottom hole locations in the NE/4 NE/4 (Unit A) of said Section 29. The completed interval for each of the proposed wells will comply with statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 15 miles northeast of Carlsbad, New Mexico.
2.	21728	Application of Apache Corporation for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 N/2 of Sections 29 and 30, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells: (1) the Palmillo 29-30 State Com #272H well (API No. 30-015-pending), and (2) the Palmillo 29-30 State Com #376H well (API No. 30-015-pending), to be drilled from a common surface hole location in SE/4 NE/4 (Unit H) of Section 25, Township 19 South, Range 27 East, to bottom hole locations in the SE/4 NE/4 (Unit H) of said Section 29. The completed interval for each of the proposed wells will comply with statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 15 miles northeast of Carlsbad, New Mexico.
3.	21729	Application of Apache Corporation for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 S/2 of Sections 29 and 30, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells: (1) the Palmillo 29-30 State Com #273H well (API No.

Generated: 10/21/2021 11:14:06

AM

## Examiner Hearing - Friday, November 5, 2021 Docket No. 42-21 Page 2 of 5

		30-015-pending), and (2) the Palmillo 29-30 State Com #377H well (API No. 30-015-pending), to be drilled from a common surface hole location in NE/4 SE/4 (Unit I) of Section 25, Township 19 South, Range 27 East, to bottom hole locations in the NE/4 SE/4 (Unit I) of said Section 29. The completed interval for each of the proposed wells will comply with statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 15 miles northeast of Carlsbad, New Mexico.
4.	21730	Application of Apache Corporation for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 S/2 of Sections 29 and 30, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells: (1) the Palmillo 29-30 State Com #274H well (API No. 30-015-pending), and (2) the Palmillo 29-30 State Com #378H well (API No. 30-015-pending), to be drilled from a common surface hole location in SE/4 SE/4 (Unit P) of Section 25, Township 19 South, Range 27 East, to bottom hole locations in the SE/4 SE/4 (Unit P) of said Section 29. The completed interval for each of the proposed wells will comply with statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 15 miles northeast of Carlsbad, New Mexico.
5.	21851 [Status Conference]	Application of Apache Corporation for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Sections 16 and 17, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells: (1) the Palmillo 16-17 State Com #241H well (API No. 30-015-pending), and (2) the Palmillo 16-17 State Com #341H well (API No. 30-015-pending), to be drilled from a common surface hole location in NW/4 NW/4 (Unit D) of Section 15, to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 17. The completed interval for each of the proposed wells will comply with statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 15 miles northeast of Carlsbad, New Mexico.
6.	21852 [Status Conference]	Application of Apache Corporation for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 N/2 of Sections 16 and 17, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells: (1) the Palmillo 16-17 State Com #242H well (API No. 30-015-pending), and (2) the Palmillo 16-17 State Com #342H well (API No. 30-015-pending), to be drilled from a common surface hole location in NW/4 NW/4 (Unit D) of Section 15, to bottom hole locations in the SW/4 NW/4 (Unit E) of Section 17. The completed interval for each of the proposed wells will comply with statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 15 miles northeast of Carlsbad, New Mexico.
7.	21853 [Status Conference]	Application of Apache Corporation for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 S/2 of Sections 16 and 17, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells: (1) the Palmillo 16-17 State Com #243H well (API No. 30-015-pending), and (2) the Palmillo 16-17 State Com #343H well (API No. 30-015-pending), to

Generated: 10/21/2021 11:14:06

 $\mathsf{AM}$ 

## Examiner Hearing - Friday, November 5, 2021 Docket No. 42-21 Page 3 of 5

		be drilled from a common surface hole location in SE/4 SW/4 (Unit N) of Section 15, to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 17. The completed interval for each of the proposed wells will comply with statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 15 miles northeast of Carlsbad, New Mexico.
8.	21854 [Status Conference]	Application of Apache Corporation for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 S/2 of Sections 16 and 17, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells: (1) the Palmillo 16-17 State Com #244H well (API No. 30-015-pending), and (2) the Palmillo 16-17 State Com #344H well (API No. 30-015-pending), to be drilled from a common surface hole location in SE/4 SW/4 (Unit N) of Section 15, to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 17. The completed interval for each of the proposed wells will comply with statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 15 miles northeast of Carlsbad, New Mexico.
9.	21825 [Status Conference]	Application of Colgate Operating, LLC, for compulsory pooling in Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests within the Palmillo Bone Spring (Pool Code 96413), underlying the S/2 of Sections 16 and 17, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico, on the following wells listed below. These wells are located approximately 18 miles northeast of Carlsbad, New Mexico.  • Blackhawk 16 State Com 123H  This proposed well is a horizontal well with a legal surface location in Units I/P of Section 16, T19S, R28E, and an intended legal bottom hole location in Unit L of Section 17, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 7,450 feet and TMD of approximately 17, 500 feet, and will target the 2nd Bonespring Sand.  • Blackhawk 16 State Com 124H  This proposed well is a horizontal well with a legal surface location in Units I/P of Section 16, T19S, R28E, and an intended legal bottom hole location in Unit M of Section 17, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 7,450 feet and TMD of approximately 17, 500 feet, and will target the 2nd Bonespring Sand.  • Blackhawk 16 State Com 133H  This proposed well is a horizontal well with a legal surface location in Units I/P of Section 16, T19S, R28E, and an intended legal bottom hole location in Unit L of Section 17, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 8,600 feet and TMD of approximately 18,600 feet, and will target the 3rd Bonespring Sand.  • Blackhawk 16 State Com 134H  This proposed well is a horizontal well with a legal surface location in Units I/P of Section 16, T19S, R28E, and an intended legal bottom hole location in Unit M of Section 17, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 8,600 feet and TMD of approximately 18,600 feet, and will target the 3rd Bonespring Sand.
10.	21826 [Status Conference]	Application of Colgate Operating, LLC, for compulsory pooling in Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests within the Palmillo Bone Spring (Pool Code 96413), underlying the N/2 of Sections 16 and 17, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico, on the following wells listed below. These wells are located approximately 18 miles northeast of Carlsbad, New Mexico.  • Black Cat 16 State Com 121H  This proposed well is a horizontal well with a legal surface location in Units A/H of Section 16, T19S, R28E, and an intended legal bottom hole location in Unit D of Section 17, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 7,450 feet and TMD of approximately 18,100 feet, and will target the 2nd Bonespring Sand.  • Black Cat 16 State Com 122H  This proposed well is a horizontal well with a legal surface location in Units A/H of Section 16, T19S, R28E, and an intended legal bottom hole location in Unit D of Section 17, T19S, R28E,

Generated: 10/21/2021 11:14:06

AM

### Examiner Hearing - Friday, November 5, 2021 Docket No. 42-21 Page 4 of 5

Eddy County, New Mexico. It will have a TVD of approximately 7,450 feet and TMD of approximately 18,600 feet, and will target the 2nd Bonespring Sand. Black Cat 16 State Com 131H This proposed well is a horizontal well with a legal surface location in Units A/H of Section 16, T19S, R28E, and an intended legal bottom hole location in Unit D of Section 17, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 8,600 feet and TMD of approximately 19,300 feet, and will target the 3rd Bonespring Sand. Black Cat 16 State Com 132H This proposed well is a horizontal well with a legal surface location in Unit I/P of Section 16, T19S, R28E, and an intended legal bottom hole location in Unit E of Section 17, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 8,600 feet and TMD of approximately 19,300 feet, and will target the 3rd Bonespring Sand. 11. 21827 Application of Colgate Operating, LLC, for compulsory pooling in Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests within the West Winchester Bone Spring (Pool Code 97569), underlying the S/2 of Sections 29 and 30, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico, on the following wells listed below. These wells are located approximately 16 miles northeast of Carlsbad, New Mexico. Black Jack 29 State Com 123H This proposed well is a horizontal well with a legal surface location in Units I/P of Section 29, T19S, R28E, and an intended legal bottom hole location in Unit L3 of Section 30, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 7,455 feet and TMD of approximately 17,655 feet, and will target the 2nd Bonespring Sand. Black Jack 29 State Com 124H This proposed well is a horizontal well with a legal surface location in Units I/P of Section 29, T19S, R28E, and an intended legal bottom hole location in Unit L4 of Section 30, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 7,455 feet and TMD of approximately 17,655 feet, and will target the 2nd Bonespring Sand. Black Jack 29 State Com 133H This proposed well is a horizontal well with a legal surface location in Units I/P of Section 29, T19S, R28E, and an intended legal bottom hole location in Unit L3 of Section 30, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 8,630 feet and TMD of approximately 18,830 feet, and will target the 3rd Bonespring Sand. Black Jack 29 State Com 134H This proposed well is a horizontal well with a legal surface location in Units I/P of Section 29, T19S, R28E, and an intended legal bottom hole location in Unit M of Section 30, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 8,630 feet and TMD of approximately 18,830 feet, and will target the 3rd Bonespring Sand. Application of Colgate Operating, LLC, for compulsory pooling in Eddy County, New Mexico. 12. 21878 Applicant seeks an order pooling all mineral interests within the West Winchester Bone Spring (Pool Code 97569), underlying the N/2 of Sections 29 and 30, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico, on the following wells listed below. These wells are located approximately 17 miles east of Lakewood, New Mexico. Buckhorn 29 State Com 121H This proposed well is a horizontal well with a legal surface location in Units A/H of Section 29. T19S, R28E, and an intended legal bottom hole location in Unit L1 of Section 30, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 7,000 feet and TMD of approximately 17,360 feet, and will target the 2nd Bone Spring. Buckhorn 29 State Com 122H This proposed well is a horizontal well with a legal surface location in Units A/H of Section 29, T19S, R28E, and an intended legal bottom hole location in Unit L2 of Section 30, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 7,000 feet and TMD of approximately 17,360 feet, and will target the 2nd Bone Spring. Buckhorn 29 State Com 131H This proposed well is a horizontal well with a legal surface location in Units A/H of Section 29, T19S, R28E, and an intended legal bottom hole location in Unit L1 of Section 30, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 8,200 feet and TMD of approximately 18,560 feet, and will target the 3rd Bone Spring. Buckhorn 29 State Com 132H This proposed well is a horizontal well with a legal surface location in Units A/H of Section 29, T19S, R28E, and an intended legal bottom hole location in Unit L2 of Section 30, T19S, R28E,

Generated: 10/21/2021 11:14:06

AM

## Examiner Hearing - Friday, November 5, 2021 Docket No. 42-21 Page 5 of 5

Eddy County, New Mexico. It will have a TVD of approximately 8,200 feet and TMD of
approximately 18,560 feet, and will target the 3rd Bone Spring.

Generated: 10/21/2021 11:14:06

ΑM