

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PRELIMINARY AGENDA AND DOCKET
NEW MEXICO OIL CONSERVATION COMMISSION MEETING

July 13, 2017

9:00 a.m.

Wendell Chino Building

Porter Hall

1220 S. St. Francis Drive

Santa Fe, New Mexico 87505

The following items are for discussion and possible action:

1. Roll Call.
2. Approve the Agenda.
3. Approve minutes of June 13, 2017 meeting.
4. The Commission may take final action in:

Case No. 15487: Joint Application for Rehearing of Order No. R-14164-D, Application of the New Mexico Oil Conservation Division Through the Supervisor of District II for an Emergency Order Suspending Certain Approved Applications for Permits to Drill, and for Adoption of Special Rules for Drilling in Certain Areas for the Protection of Fresh Water, Chaves and Eddy Counties, New Mexico.

5. **Case No. 15726:** (Continued from the June 13, 2017 Commission meeting.)
IN THE MATTER OF: PROPOSED AMENDMENTS TO SECTION 19 OF 19.15.16 NMAC AND SECTION 16 OF 19.15.7 NMAC, EXTENDING THE TIME FOR REPORTING COMPLETION OF HORIZONTAL WELLS FROM 20 TO 45 DAYS, AND PROPOSED FURTHER AMENDMENT OF SECTION 19 OF 19.15.16 NMAC TO REQUIRE OPERATORS TO REPORT CERTAIN INFORMATION REGARDING HYDRAULICALLY FRACTURED WELLS IN THE FRAC FOCUS CHEMICAL DISCLOSURE REGISTRY

The proposed rule amendments are intended to (a) extend the time for reporting completion of horizontal wells from 20 to 45 days, and (b) require that disclosures concerning hydraulically fractured wells be made to the extent, and on forms prescribed by, Frac Focus, in lieu of existing Oil Conservation Division (OCD) requirements and forms, and to that end:

(1) amending 19.15.16 NMAC by amending Section 19 to change the date for completion reporting and to require filing of fracturing disclosures through Frac Focus, and (2) amending 19.15.7 NMAC by amending Section 16 thereof to conform the requirements of that rule to amended Section 19 of 19.15.16 NMAC, as proposed.

The proposed rule amendments and the meeting agenda are available from the Commission Clerk, Florene Davidson at (505) 476-3458 or can be viewed on the Hearings Page at the Oil Conservation Division's web site at <http://www.emnrd.state.nm.us/ocd>. Persons **recommending modifications** to the proposed rule amendment must file a notice of recommended modifications with the Commission Clerk no later than 5:00 p.m. on **June 28, 2017**. The notice must include the text of the proposed rule amendments, an explanation of the impact of the recommended modifications and reasons for adopting the modifications. Persons intending to provide **written comments** on the proposed rule amendments must submit their written comments no later than 5:00 p.m. on **July 6, 2017**, to the Commission Clerk. Persons intending to offer technical testimony at the hearing must file six copies of a **Pre-hearing Statement** conforming to the requirements of 19.15.3.11 NMAC, and six copies of all exhibits the person will offer as evidence at the hearing, no later than 5:00 p.m. on **July 6, 2017**. Proposed modifications and written comments may be hand-delivered or mailed to Ms. Davidson at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, or may be faxed to Ms. Davidson at (505) 476-3462. Pre-hearing Statements must be hand-delivered or mailed to Ms. Davidson at the above address. To be timely, all documents sent to the Commission Clerk must be received by the date and time stated above.

6. **Case No. 15519: *De Novo*** (Continued from the May 18, 2017 Commission meeting.)
Application of Mewbourne Oil Company to revoke the injection authority granted under SWD-744 for the Willow Lake Well No. 1 operated by Pyote Well Service, LLC, Eddy County, New Mexico. Applicant seeks an order revoking the injection authority granted by Administrative Order SWD-744 for the Willow Lake Well No. 1 (30-015-21499), a salt water disposal well located 660 feet from the North line and 1980 feet from the West line (Unit C) in Section 22, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This well is currently operated by Pyote Well Service, LLC and disposing produced water into the Bone Spring formation through perforations at depths of approximately 7,184 feet to approximately 8,850 feet. The well is located approximately 5 miles South of Loving, New Mexico.
Upon application of David Baker, Receiver, for benefit of Pyote Water Solutions LLC and Pyote SWD II LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC.
7. **Case No. 15740: *Application of Targa Midstream Services LLC, whose address is 1000 Louisiana, Suite 4300, Houston, TX 77022-5036 to increase the approved injection rate in Order (R-13502-A) to 5MMSCFD of treated acid gas from its natural gas plant operations in Monument, New Mexico. The Monument AGI D#2 well (API # 30-025-43470) is located 685' FSL and 2,362' FEL of Section 36, T19S, R36E in Lea County, New Mexico.*** This request is the only change proposed to the existing order and all other parameters such as the injection zone, depths, pressure remain the same for this well as are currently approved under NMOCD Order R-13052, 13502-A and SWD-1654 and 1671. The injection interval remains unchanged in the Devonian/Fusselman formations at a depth of approximately 8,350 to 9,200 feet. The proposed maximum average injection rate will be approximately 5.0 million standard cubic feet per day of acid gases, at the already approved maximum surface pressure of 3,000 psig. This increased rate does not affect any additional wells than those originally identified in the applications which formed the basis for the existing approved injection orders. Inquiries regarding this application should be directed to Mr. Alberto A. Gutierrez or Mr. James C. Hunter at Geolex Inc, 500 Marquette Ave. NW, Albuquerque New Mexico 87102, (505)-842-8000.
8. Litigation Update
9. Next meeting: August 10, 2017.