No. 39-17

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PRELIMINARY AGENDA AND DOCKET
NEW MEXICO OIL CONSERVATION COMMISSION MEETING
November 9, 2017
9:00 a.m.
Wendell Chino Building
Porter Hall
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

The Commission may conduct a closed executive session during which it will deliberate in connection with an administrative adjudicatory proceeding pending before the Commission or consult with the Commission counsel under the client-attorney privilege concerning threatened or pending litigation in which the Commission is or may become a participant.

The following items are for discussion and possible action:

1. Roll Call.

2. Approve the Agenda.

3. Approve minutes of October 4, 2017 meeting.

4. Final action may be taken in the following case:

   Case No. 14720 (Reopened): Application of Lucid Delaware LLC to Modify NMOCC Order R-13507.

5. ***Case No. 15654: De Novo Application of Mesquite SWD, Inc. to Amend Approvals for Salt Water Disposal Wells in Lea and Eddy Counties.*** Applicant seeks an order amending Order Numbers SWD-1667 for the San Dunes SWD #2 well, SWD-1642 for the Scott B SWD #1 well, SWD-1638 for the VL SWD #1 well, SWD-1558 for the Station SWD #1 well, SWD-1636 for the Cypress SWD #1 well, SWD-1610 for the Gnome East SWD #1 well, SWD-1602 for the Uber East SWD #1 well, and SWD-1600 for the Uber North SWD #1 well, to allow for injection to occur through internally-coated, 5 ½ inch or smaller tubing. The orders issued by the Division currently only allow for tubing to be used if its 4 ½ inches or smaller. The Station SWD #1 well is located approximately 31.7 miles Northwest of Jal, New Mexico. The San Dunes SWD #2, Scott B SWD #1, and Scott B SWD #1 are located within 17 miles of Malaga, New Mexico. The Cypress SWD #1, Gnome East SWD #1, Uber East SWD #1, and Uber North SWD #1 are located approximately 21 - 37 miles southeast of Carlsbad, New Mexico. Upon application of Mesquite SWD, Inc., this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC.

6. ***Case No. 15856:*** *(This case will be continued to the January, 2018 Commission Meeting.)* ***Stakeholder Gas Services LLC, whose address is 777 E. Sonterra Blvd., Suite 100, San Antonio, Texas 78258, proposes to drill two acid gas injection (AGI) wells to dispose of acid gases from***

its proposed natural gas plant operations to be located approximately 9 miles southwest of Lovington in Lea County, New Mexico. The Stakeholder AGI #1 well will be drilled at a surface location approximately 660 feet from the South line (FSL) and 1790 feet from the West line (FWL) of Section 21, Township 16 South, Range 35 East in Lea County, New Mexico, and AGI #2 will be drilled approximately 2080 feet from the South line (FSL) and 1980 feet from the West line (FWL) of the same Section. Both Stakeholder AGI wells are designed as vertical wells. The injection interval will be in the Permian Premier Sand unit of the Grayburg Formation at depths of approximately 4,700 to 4,800 feet. The maximum average injection rate will be approximately 6.8 million standard cubic feet per day of acid gases, at a maximum surface pressure of 1,845 psig. Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.
Inquiries regarding this application should be directed to Mr. Albero A. Gutierrez or Mr. James C. Hunter at Geolex Inc., 500 Marquette Ave. NW, Albuquerque, New Mexico 87102, (505) 842-8000.

7. Other Business

8. Next meeting: December 7, 2017

7. Adjournment

If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact Florene Davidson at least ten days prior to the meeting or as soon as possible at (505) 476-3458 or florene.davidson@state.nm.us. Public documents can be provided in various accessible formats.