## DOCKET: OIL CONSERVATION DIVISION HEARINGS - Tuesday, July 15, 2025

9:00 a.m. - 1220 South St. Francis, Santa Fe, New Mexico 87505

and via MS Teams (login information below)

## Virtual Attendance:

Click <u>HERE</u> to be connected to the meeting.

### Dial-in by phone:

(505) 312-4308 Phone conference ID: 611 582 842#

Pre-hearing statements shall be filed no later than **9:00 a.m.**, 4 business days before the hearing and in addition to the requirements of 19.15.4.13.B(1) NMAC, shall include the following: all evidentiary exhibits, documents, affidavits, and full-written testimony of any witness a party offers at the hearing. Exhibits must be sequentially marked on every page. Failure to file a complete pre-hearing statement on time may cause the Hearing Examiner to continue the hearing and/or impose sanctions up to and including the exclusion of late-filed evidence. Evidentiary objections must be filed no later than 48 hours before the hearing. Rulings on the objections will be addressed as a preliminary matter when the case is called. All witnesses filing direct testimony shall attend the hearing and may be subject to cross-examination by Counsel and the Division's Examiners.

#### NOTICE: The hearing examiner may call the following cases in any order at their discretion.

	Case Number	Description
1.	25413	Application of Lea Midstream, LLC for Authorization to Inject, Lea County, New Mexico. Applicant in the above-styled cause seeks an order authorizing injection of treated acid gas ("TAG") from its Lea Midstream treating facility for purposes of disposal into the proposed White Russian AGI #1 well to be located in Section 17, Township 19 South, Range 35 East, Lea County, New Mexico. The well is proposed be drilled as a deviated well with a surface location of approximately 1,607 feet from the south line (FSL) and approximately 1,991 feet from the west line (FWL) of Section 17, to a bottom hole location at approximately 2,338 from the north line (FNL) and 188 feet FWL in said Section 17, within Township 19 South, Range 35 East, Lea County, New Mexico. The injection stream will consist of TAG comprised of approximately 70 percent carbon dioxide and 30 percent hydrogen sulfide from oil and gas wells in the area. Lea Midstream seeks approval to inject up to 12 MMSCFD of TAG. The proposed maximum allowable operating pressure requested is approximately 4,593 psig. The injection will target the Siluro-Devonian formations, including the Devonian, Wristen, and Fusselman formations, between depths of approximately 14,615 to 16,029 feet. The subject well will be located approximately 20 miles southwest of Hobbs, N.M. Setting: Hearing by Affidavit
2.	25347	Application of Avant Operating II, LLC for approval of a non-standard spacing unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division approving a non-standard 560-acre, more or less, Wolfcamp horizontal spacing unit and pooling all uncommitted interests in the E/2 of Section 22 and the NE/4 and N/2SE/4 of Section 27, Township 20 South, Range 32 East, N.M.P.M., Lea County, New Mexico, in the Salt Lake; Wolfcamp pool (Pool code 53570). This spacing unit will be dedicated to the following wells: the Thai Curry 22-27 Fed Com #701H, Thai Curry 22-27 Fed Com #721H, Thai Curry 22-27 Fed Com #802H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 22, and proposed last take points in the NE/4 SE/4 (Unit I) of Section 27; and the Thai Curry 22-27 Fed Com #702H, Thai Curry 22-27 Fed Com #723H, and Thai Curry 22-27 Fed Com #803H wells with proposed surface hole locations in the NI/4 NE/4 (Unit A) of Section 22, and proposed last take points in the NI/4 NE/4 (Unit A) of Section 22, and proposed last take points in the NI/4 NE/4 (Unit A) of Section 22, and proposed last take points in the NI/4 NE/4 (Unit A) of Section 22, and proposed last take points in the NI/4 NE/4 (Unit A) of Section 22, and proposed last take points in the NI/4 NE/4 (Unit A) of Section 22, and proposed last take points in the NI/4 NE/4 (Unit A) of Section 22, and proposed last take points in the NI/4 NE/4 (Unit A) of Section 22, and proposed last take points in the NI/4 NE/4 (Unit A) of Section 23, and proposed last take points in the NI/4 NE/4 (Unit A) of Section 26, and proposed last take points in the NI/4 NE/4 (Unit A) of Section 27, The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of Avant Operating II, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area

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		is located approximately 36 miles southwest of Hobbs, New Mexico.
		Setting: Contested Hearing Joined with Cases: 25348
3.	25348	Application of Avant Operating II, LLC for approval of a non-standard spacing unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division approving a non-standard 560-acre, more or less, Bone Spring horizontal spacing unit and pooling all uncommitted interests in the E/2 of Section 22 and the NE/4 and N/2SE/4 of Section 27, Township 20 South, Range 32 East, N.M.P.M., Lea County, New Mexico in the Salt Lake; Bone Spring pool (Pool code 53560). This spacing unit will be dedicated to the following wells: Thai Curry 22-27 Fed Com #301H, Thai Curry 22-27 Fed Com #302H, Thai Curry 22-27 Fed Com #401H, Thai Curry 22-27 Fed Com #501H, Thai Curry 22-27 Fed Com #602H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 22, and proposed last take points in the NE/4 SE/4 (Unit I) of Section 27; and the Thai Curry 22-27 Fed Com #303H, Thai Curry 22-27 Fed Com #402H, Thai Curry 22-27 Fed Com #503H, and Thai Curry 22-27 Fed Com #603H wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 22, and proposed last take points in the NE/4 SE/4 (Unit J) of Section 27. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating II, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 36 miles southwest of Hobbs, New Mexico.
4.	25388	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 480-acre, more or less, horizontal well spacing unit in the Pennsylvanian formation underlying the W/2 W/2 of Sections 11, 14, and 23, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Ed Drake Fed Com #241H well, with a surface location in the SW/4 SW/4 (Unit M) of Section 23, a first take point in the SW/4 SW/4 (Unit M) of Section 23, and a last take point in the NW/4 NW/4 (Unit D) of Section 11. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 6.5 miles northeast of Lovington, New Mexico. Setting: Contested Hearing Joined with Cases: 25390, 25391, 25393
5.	25390	<b>Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico.</b> Applicant in the above-styled cause seeks an order pooling a standard 480-acre, more or less, horizontal well spacing unit in the Pennsylvanian formation underlying the E/2 W/2 of Sections 11, 14, and 23, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Ed Drake Fed Com #242H well, with a surface location in the SW/4 SW/4 (Unit M) of Section 23, a first take point in the SE/4 NW/4 (Unit N) of Section 23, and a last take point in the NE/4 NW/4 (Unit C) of Section 11. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 6.5 miles northeast of Lovington, New Mexico.
		Setting: Contested Hearing Joined with Cases: 25388, 25391, 25393
6.	25391	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 480-acre, more or less,

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		horizontal well spacing unit in the Pennsylvanian formation underlying the W/2 E/2 of Sections 11, 14, and 23, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Ed Drake Fed Com #243H well, with a surface location in the SE/4 SE/4 (Unit P) of Section 23, a first take point in the SW/4 SE/4 (Unit O) of Section 23, and a last take point in the NW/4 NE/4 (Unit B) of Section 11. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 7 miles northeast of Lovington, New Mexico.
7. 2	5393	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 480-acre, more or less, horizontal well spacing unit in the Pennsylvanian formation underlying the E/2 E/2 of Sections 11, 14, and 23, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Ed Drake Fed Com #244H well, with a surface location in the SE/4 SE/4 (Unit P) of Section 23, a first take point in the SE/4 SE/4 (Unit P) of Section 23, and a last take point in the NE/4 NE/4 (Unit A) of Section 11. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 7 miles northeast of Lovington, New Mexico. Setting: Contested Hearing Joined with Cases: 25388, 25390, 25391