

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

**Meeting Minutes
Regular Meeting
February 14, 2019
Porter Hall
Wendell Chino Building
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505**

MEMBERS PRESENT:

Gabe Wade Chair, Oil Conservation Division
Allison Marks Designee, New Mexico State Land Commissioner

OTHERS PRESENT:

Cheryl Bada, Counsel for the Commission

Item 1. Roll Call.

Roll was taken; a quorum was present.

Item 2. Approval of Agenda.

Action: Commissioner Marks moved adoption of the agenda. Chair Wade seconded the motion. The motion passed unanimously.

Item 3. Approval of minutes of January 17, 2019 meeting.

Action: Commissioner Marks moved to approve the minutes. Chair Wade seconded the motion. The motion passed unanimously.

At the request of the applicants, the following cases were continued to the March 12, 2019 Commission Meeting:

Item 4. Case No. 15844 (De Novo): Amended Application of XTO Energy Inc. for Approval of the Expansion of the James Ranch Unit, Eddy County, New Mexico.

Item 5. Case No. 16446: Application of Salt Creek Midstream, LLC for Authorization to Inject Acid Gas into the Proposed Leavenworth AGI No. 1 well in Section 23, Township 26 South, Range 36 East, Lea County, New Mexico.

The following consolidated De Novo cases were called:

Item 6. Case No. 16115: Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico

Item 7. Case No. 16116: Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico

Appearances were made by Adam Rankin for Chisholm Energy Operating, LLC (Chisholm) and Ernest Padilla for Premier Oil & Gas, Inc. (Premier), the de novo applicant. Mr. Rankin and Mr. Padilla agreed that the main issue of these cases is the orientation of the wells. Chisholm's motion to exclude exhibits, Premier's subpoena for certain data from Chisholm, and a confidentiality agreement were addressed. Mr. Rankin and Mr. Padilla made opening statements. Mr. Rankin called Beau Sullivan, George Roth, and James Huling as witnesses. Mr. Padilla called Jerry Ferguson and Eglee Lopez as witnesses. The hearing was recessed at 4:45 p.m. on February 14, 2019.

The hearing was reconvened at 8:30 a.m. on February 15, 2019. Ms. Lopez was recalled for cross-examination. Mr. Padilla called Daniel Jones and Keith Jones as witnesses. Mr. Rankin recalled Beau Sullivan, George Roth, and James Huling as rebuttal witnesses. Mr. Rankin and Mr. Padilla made closing statements.

After a motion by Commissioner Marks and a second to the motion by Chair Wade, the Commission voted unanimously to close the meeting pursuant to NMAC 1978, Section 10-15-H to deliberate on the cases. After a motion by Commissioner Marks and a second to the motion by Chair Wade, the Commission voted unanimously to go back into open session. Chair Wade announced that the Commission decided to grant Chisholm's applications. Commissioner Marks moved to authorize Chair Wade to sign an order in these consolidated cases before the next C Commission meeting. Chair Wade seconded the motion and it passed unanimously. The Commission asked Mr. Rankin to prepare a proposed order.

The following Items 8 through 19 were continued to the March 12, 2019 Commission hearing:

- Item 8. Case No. 16099: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling and Down-Hole Commingling, Lea County, New Mexico.
- Item 9. Case No. 16100: Application of Devon Energy Production Company, L.P., for a Non- Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico.
- Item 10. Case No. 16101: Application of Devon Energy Production Company, L.P., for a Non- Standard Oil Spacing and Proration Unit, Compulsory Pooling, and Down-Hole Commingling, Lea County, New Mexico.
- Item 11. Case No. 16102: Application of Devon Energy Production Company, L.P., for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.
- Item 12. Case No. 16103: Application of Devon Energy Production Company, L.P., for a Non- Standard Oil Spacing and Proration nit and Compulsory Pooling, Lea County, New Mexico.
- Item 13. Case No. 16104: Application of Devon Energy Production Company, L.P., for a Non- Standard Oil Spacing and Proration Unit and Compulsory Pooling, L Lea County, New Mexico.
- Item 14. Case No. 16169: Application of Pride Energy Company, for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico.
- Item 15. Case No. 16170: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, L Lea County, New Mexico.

- Item 16. Case No. 16171: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico.
- Item 17. Case No. 16172: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico.
- Item 18. Case No. 16173: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico.
- Item 19. Case No. 16174: Application of Pride Energy Company for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico.

Item 20. **Pending litigation.**

Counsel Bada informed the Commission that the Court of Appeals denied Larry Marker's Motion for Rehearing of Case No. 16078.

Item 21. **Other business**

There was no other business.

Item 22. **Next meeting: March 12, 2019**

Item 23. **Adjournment.**

Chair Wade adjourned the meeting at 12:00 p.m.


GABRIEL WADE, Chair