

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
Meeting Minutes
Regular Meeting
September 16, 2021**

The Oil Conservation Commission meeting was held via Webex Meeting platform.

MEMBERS PRESENT:

Adrienne Sandoval	Chair, Oil Conservation Division
Greg Bloom	Designee, State Land Office Commissioner
Terry Warnell	Designee, Energy, Minerals and Natural Resources Department

OTHERS PRESENT:

Christopher Moander, Counsel for the Commission
Florene Davidson, Commission Clerk

The meeting was called to order by Chair Sandoval at approximately 9:19 a.m.

Item 1. Roll Call.

Action: Roll was taken; a quorum was present.

Item 2. Approval of the Agenda

Action: Chair Sandoval advised that Item No. 4, Evidentiary Hearing on Invalidation of Division Order: De Novo Case No. 21744: (Case No. 21629): Application of Cimarex Energy Co. for Hearing De Novo of Case No. 21629, Eddy County, New Mexico, has been continued to October 14, 2021; Item 5, Case No. 20571 (De Novo), Item 6, Case No. 20572 (De Novo), Item 7, Case No. 20574 (De Novo), and Item 8 (De Novo Case No. 20961) Case No. 21233, all applications of Permian Oilfield Partners, LLC for approval of a salt water disposal well in Lea County, New Mexico, have been settled and removed from the agenda; and Item 9, Case 21872, is the only case to be heard at today's hearing. Commissioner Bloom made a motion to adopt the agenda as modified and Commissioner Warnell seconded the motion. A roll call vote was taken. The motion passed.

Item 3. Approval of the August 12 and August 27, 2021 Meeting Minutes

Commissioner Bloom made a motion to approve the August 12 and August 27, 2021 minutes, and Commissioner Warnell seconded the motion. A roll call vote was taken, and the motion passed unanimously.

Item 4. Application of Cimarex Energy Co. for Hearing De Novo of Case No. 21629, Eddy County, New Mexico, continued to October 14, 2021.

Items 5, 6, 7, and 8 settled and dismissed.

Item 5. Case No. 20571 (De Novo): Application of Permian Oilfield Partners, LLC for approval of a salt water disposal well in Lea County, New Mexico.

Item 6. Case No. 20572 (De Novo): Application of Permian Oilfield Partners, LLC for approval of a salt water disposal well in Lea County, New Mexico. New Mexico.

Item 7. Case No. 20574 (De Novo): Application of Permian Oilfield Partners, LLC for approval of a salt water disposal well in Lea County, New Mexico.

Item 8. (De Novo Case No. 21233)
Case No. 20961: Application of Permian Oilfield Partners, LLC for approval of a salt water disposal well in Eddy County, New Mexico.

Item 9. Status Conference:

Case No. 21872: Application of Titus Oil & Gas Production, LLC for Approval of Production Allocation, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division approving the production allocation of minerals in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The HSU will be dedicated to the El Campeon Fed Com 404H well, to be horizontally drilled from an approximate surface hole location 558’ FSL and 590’ FEL of Section 20, T26SR35E, Lea County, New Mexico, to an approximate bottom hole location 10’ FSL and 1912’ FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Wolfcamp formation (Phantom; Wolfcamp [Texas Field No. 71052900]). Production will be allocated to New Mexico and Texas prorated on the basis of surface acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The well and lands are located approximately 14 miles southwest of Jal, New Mexico.

Action: Commissioner Bloom recused himself from the case and Estevan Baca with the State Land Office replaced him. Appearances were made by Sharon Shaheen for Titus Oil & Gas Production, LLC (Titus); Jesse Tremaine for the Oil Conservation Division (OCD); Michael Feldewert for EOG Resources, Inc.; Nicolas Koluncich for the New Mexico State Land Office (SLO); and Dana Hardy for Pegasus Resources, LLC, Fortis Minerals II, LLC, and Santa Elena Minerals NGLP. Ms. Shaheen explained that an order was entered by OCD to refer the case to OCC. She said there may be no need for an evidentiary hearing, but if the OCC wants an evidentiary hearing, she requested that a special meeting date be set. Mr. Tremaine explained that prior to the issuance of an order in this matter, OCD believes that an agreement should be entered between Texas and New Mexico, and any OCC order should be made contingent upon an MOU. Commissioner Baca advised that the SLO would want to be part of any MOU between the OCD and the Texas Railroad Commission. The State Land Office was in disagreement that there was not the need for an evidentiary hearing. A discussion was held by the Commission and all parties regarding the timing of the hearing of the case and the filing of motions. It was agreed that a special OCC hearing should be set for September 28, 2021 beginning at 9:00 a.m. to hear Case No. 21872 and any motions filed in the case. Commissioner Baca made a motion to set an evidentiary and motions hearing in Case 21872 for September 28, 2021. Commissioner Warnell seconded the motion. A roll call vote was taken. The motion passed. Commissioner Baca made a motion to require all pre-hearing statements and motions to be submitted no later than 5:00 p.m. on September 21, 2021 and all responses be submitted no later than 5:00 p.m. on September 24, 2021. Commissioner Warnell seconded the motion. A roll call vote was taken. The motion passed.

Item 10: Pending litigation

Action: Counsel Moander advised that Larry Marker filed a new appeal on September 8, 2021, regarding constitutional questions. Subsequent to the hearing, Counsel Moander advised that he misspoke at the hearing and has recommended that the filing date of the appeal be corrected to September 9, 2021.

Item 11. Other Business

Action: There was no other business.

Item 12. Next meeting – Special meeting September 28, 2021 and regular meeting October 14, 2021

Item 13. Adjournment

Action: Chair Sandoval adjourned the hearing at 11:03 a.m.



Adrienne Sandoval, Chair