

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
Meeting Minutes
Regular Meeting
May 12, 2022

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

MEMBERS PRESENT:

Adrienne Sandoval	Chair, Oil Conservation Division
Greg Bloom	Designee, New Mexico State Land Office Commissioner
William Ampomah	Designee, Energy, Minerals and Natural Resources Department

OTHERS PRESENT:

Christopher Moander, Commission Counsel
Florene Davidson, Commission Clerk

The hearing was called to order by Chair Sandoval at approximately 9:03 a.m.

Item 1. Roll Call.

Action: Roll was taken; a quorum was present.

Item 2. Approval of the Agenda.

Action: Commissioner Bloom made a motion to adopt the agenda and Commissioner Ampomah seconded the motion. A roll call vote was taken. The vote was unanimous.

Item 3. Approval of the April 14, 2022 Meeting Minutes

Action: Commissioner Bloom made a motion to approve the April 14, 2022 minutes and Commissioner Ampomah seconded the motion. A roll call vote was taken. The vote was unanimous.

Item 4. Review and vote on final order in Case No. 22473, Application of Titus Oil & Gas Production, LLC for Approval of Production Allocation, Lea County, New Mexico.

Action: Chair Sandoval advised that all Commissioners have reviewed the proposed order. Commissioner Bloom made a motion to adopt the order. Commissioner Ampomah seconded the motion. A roll call vote was taken. The vote was unanimous. Order No. R-22151 was entered in Case No. 22473.

Item 5: De Novo Case No. 22474, OCD Case No. 22294: Application of COG Operating LLC for Compulsory Pooling, Lea County, New Mexico. Applicant applies for an order pooling all

uncommitted interests in the WC025 G-09 S243532M; Wolfbone Pool (98098), underlying a standard 960.16-acre, more or less, horizontal spacing unit ("Unit") comprised of all of irregular Section 1 and the N/2 of Section 12, Township 25 South, Range 34 East, Lea County, New Mexico. Applicant seeks to dedicate the abovereferenced horizontal spacing unit to the following proposed wells ("Wells"): the Green Eyeshade Fed Com #601H well, to be drilled from a surface location in the NW/4 SE/4 (Unit J) of Section 12 to a bottom hole location in the NE/4 NE/4 (Lot 1) of Section 1; the Green Eyeshade Fed Com #602H well, and the Green Eyeshade Fed Com #702H well, to be drilled from a surface location in the NW/4 SE/4 (Unit J) of Section 12 to a bottom hole location in the NW/4 NE/4 (Lot 2) of Section 1; the Green Eyeshade Fed Com #603H well, the Green Eyeshade Fed Com #703H well, to be drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 12 to a bottom hole location in the NE/4 NW/4 (Lot 3) of Section 1; and the Green Eyeshade Fed Com #704H well, to be drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 12 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 1. The completed interval for the proposed Green Eyeshade Fed Com #601H well will be within 330' of the quarter-quarter line separating the E/2 E/2 from the W/2 E/2 of Section 1 and the W/2 NE/4 from the E/2 NE/4 of Section 12; the completed interval for the proposed Green Eyeshade Fed Com #602H will be within 330' of the quarter-quarter line separating the E/2 W/2 from the W/2 E/2 of Section 1 and the W/2 NE/4 from the E/2 NW/4 of Section 12, and the completed interval for the proposed Green Eyeshade Fed Com #603H well will be within 330' of the quarter-quarter line separating the E/2 W/2 from the W/2 W/2 of Section 1 and the W/2 NW/4 from the E/2 NW/4 of Section 12 to allow inclusion of this acreage into a standard horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located 13.6 miles West of Jal, New Mexico.

Action: Appearances were made by Dana Hardy for COG Operating LLC (COG) and Jesse Tremaine for the Oil Conservation Division (OCD). Chair Sandoval announced that the case had been heard at the April 14, 2022 Commission hearing and written closing statements were submitted after the hearing. Ms. Hardy and Mr. Tremaine reviewed their closing statements and the record of this hearing was closed. After a motion by Chair Sandoval to close the meeting pursuant to NMAC 1978, Section 10-15-1(H) to deliberate on De Novo Case No. 22474, and a second to the motion by Commissioner Bloom, a roll call vote was taken. The motion carried. The meeting was closed for deliberations. After a motion by Commissioner Bloom to go back into open session pursuant to NMAC 1978, Section 10-15-1(H), and a second to the motion by Commissioner Ampomah, a roll call vote was taken. The motion carried. The meeting came back into open session and Chair Sandoval announced that De Novo Case No. 22474 was the only matter discussed during the closed session. She made a motion that the Commission finds that OCD Order No. R-21930 is valid and the Commission upholds and readopts the order; the Commission does not find any conflict between the regulations and the Oil and Gas Act; and the Commission finds that the OCD did not violate its principles. Commissioner Bloom seconded the motion. A roll call vote was taken. The motion carried. Counsel Moander will draft an order incorporating these findings to be finalized at the regular Commission meeting on June 9, 2022.

Item 7. Pending legislation

Action: Counsel Moander advised that he is still awaiting a ruling from the Court of Appeals in Case A-1-CA-39578.

Item 8. Other business

Action: There was no other business.

Item 9. Next meeting

Action: A special meeting will be held on June 3, 2022. The next regular meeting will be held on June 9, 2022.

Item 10: Adjournment

Action: Chair Sandoval adjourned the meeting at 2:30 p.m.

A handwritten signature in black ink, appearing to read 'Adrienne'.

Adrienne Sandoval
Chair