

**STATE OF NEW MEXICO**  
**OIL CONSERVATION COMMISSION**  
**Meeting Minutes**  
**Regular Meeting**  
**April 14, 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:**

John Kreienkamp, Commission Counsel  
Florene Davidson, Commission Clerk

The hearing was called to order 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 approve the agenda and Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried unanimously.

**Item 3.** Approval of the March 10, 2022 Commission Minutes

**Action:** Commissioner Bloom made a motion to approve the March 10, 2022 Commission minutes and Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried unanimously.

**Item 4.** Case No. 22719: Application of the Oil Conservation Division to Amend Rules 19.15.2 and 19.15.7 NMAC. The Oil Conservation Commission will review the request to grant a hearing on the rulemaking.

**Action:** Appearances were made by Jesse Tremaine for the Oil Conservation Division (OCD) and Michael Feldewert for the New Mexico Oil and Gas Association (NMOGA). Mr. Tremaine explained that the purpose of the rule amendments is to bring the present rules up to date. A discussion was held, and the Commission agreed on a hearing date and submittal deadlines. Chair Sandoval was given authority to appoint a hearing officer for the case. Chair Sandoval made a motion to convene the hearing on June 3, 2022, at 9:00 a.m. with the following submittal deadlines:  
Pre-hearing statements and any motions – May 18, 2022;  
Written public comments – accepted from April 14, 2022 until noon on June 3, 2022;  
Oral public comments – if sign up before hearing date, will be given five minutes for

comment; if sign up on day of hearing, will be given three minutes for comment; Submit to Public Register – April 21, 2022 for publication in the Register on May 3, 2022. Commissioner Bloom seconded the motion. A roll call vote was taken. The motion carried unanimously.

Case No. 22719 was continued to a special hearing to be held on June 3, 2022.

**Item 5.** Status conference and adoption of final order in Case No. 21629, De Novo Case No. 21744: Application of Cimarex Energy Co. for Hearing De Novo of Case No. 21629, Eddy County, New Mexico (Evidentiary Hearing on Invalidation of Division Order)

**Action:** Appearances were made by Darin Savage for Cimarex Energy Co. (Cimarex) and Ernest Padilla for Colgate Operating LLC (Colgate). Mr. Savage and Mr. Padilla presented updates on the case including the submission of competing applications filed by Cimarex to be heard by the OCD.

A final order was submitted and approved by the Commission. Commissioner Bloom made a motion to adopt the final order and Commissioner Ampomah seconded the motion. The motion carried unanimously. Order No. R-21679-C was entered in Case No. 21629, De Novo Case No. 21744.

A discussion was held by all parties on the filing of motions in the subject case and an agreement was reached. Chair Sandoval made a motion to set deadlines as follows: May 5, 2022, for the filing of motions; May 19, 2022, for filing responses to the motions; and May 27, 2022, for filing replies to the responses limited to 7 pages. Commissioner Bloom seconded the motion. A roll call vote was taken and the motion carried unanimously.

De Novo Case 21744 was scheduled for the June 9, 2022 Commission hearing.

**Item 6.** Update on Case No. 21872: Application of Titus Oil & Gas Production, LLC for Approval of Production Allocation, Lea County, New Mexico

**Action:** Dylan Fuge, General Counsel for the Energy, Minerals and Natural Resources Department, presented an update on Case No. 21872. He stated that he had received a copy of a draft Memorandum of Understanding (MOU) between the Texas Railroad Commission (RRC) and the OCD on April 8, 2022, and will meet with RRC counsel on April 20, 2022, to discuss the proposed MOU.

**Item 7.** Case No. 22473: Application of Titus Oil & Gas Production, LLC for Approval of Production Allocation, Lea County, New Mexico

**Action:** Appearances were made by Sharon Shaheen for Titus Oil & Gas Production, LLC (Titus), Jesse Tremaine for the Oil Conservation Division (OCD), and Dana Hardy for Fortis Minerals II, LLC, Santa Elena Minerals IV, LP, and Pegasus Resources, LLC. Ms. Shaheen, Mr. Tremaine, and Ms. Hardy made opening statements. Mr. Tremaine asked the OCC to take notice of the exhibits and testimony in Case No. 21872 and requested that any order entered in this case be consistent with the order issued in Case No. 21872.

Ms. Shaheen's witness was Walter Jones, Landman and Vice President of Land with Titus. He explained that this application is similar to the one filed in Case No. 21872. He discussed how reporting will be handled in New Mexico and in Texas.

Mr. Tremaine gave an overview of OCD's concerns with this case because of regulatory differences between Texas and New Mexico.

Ms. Shaheen and Mr. Tremaine made closing statements. Ms. Hardy requested that the application be approved.

After a motion by Chair Sandoval to close the meeting pursuant to NMAC 1978, Section 10-15-1(H) to deliberate on Case No. 22473 and a second to the motion by Commissioner Bloom, a roll call vote was taken. The motion carried unanimously. 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 unanimously. Chair Sandoval made a motion to add conditions to the approval granted in Case No. 21872 and adopt conditions 19 through 30, excluding the Division update, in this case. Commissioner Bloom seconded the motion. A roll call vote was taken. The motion carried unanimously. An order will be drafted and circulated to the Commission prior to the next Commission meeting and will be adopted on May 12, 2022.

**Item 8.** De Novo Case No. 22474, OCD Case No. 22294: Application of COG Operating LLC for Compulsory Pooling, Lea County, New Mexico

**Action:** Appearances were made by Dana Hardy for COG Operating LLC (COG) and Jesse Tremaine for the Oil Conservation Division (OCD). Ms. Hardy and Mr. Tremaine made opening statements.

Ms. Hardy's first witness was Matt Soloman, Staff Land Negotiator for COG. He explained his understanding of the reasons COG's application was rejected by OCD and presented COG's proposed drilling procedure. Mr. Tremaine, Chair Sandoval, and Commissioner Ampomah cross-examined the witness, and he was excused.

COG's next witness was Ira Bradford, Geoscientist with COG. He presented geologic testimony regarding the lack of faults or geologic impediments to the development. He was excused.

The next witness was Eric Angelos, Reservoir Engineer with COG. He discussed the impact on well spacing and production if COG's application is denied. Mr. Tremaine, Chair Sandoval, and Commissioner Ampomah cross-examined the witness, and he was excused.

Chair Sandoval made a motion to allow written closing statements of no more than 10 pages to be submitted to the Commission on May 5, 2022. Commissioner Bloom seconded the motion. A roll call vote was taken. The motion carried unanimously. The hearing of De Novo Case No. 22474, OCD Case No. 22294 was adjourned and taken under advisement by the Commission, which will rule on the case at the May 12, 2022 Commission meeting.

**Item 9.** Pending Litigation

**Action:** There was no pending litigation.

**Item 10.** Other business

**Action:** There was no other business.

**Item 11.** Next meeting – May 12, 2022

**Item 12.** Adjournment

**Action:** Chair Sandoval adjourned the meeting at 2:22 p.m.

A handwritten signature in black ink, appearing to read 'Adrienne Sandoval', written in a cursive style.

Adrienne Sandoval, Chair