

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
Meeting Minutes
Regular Meeting
April 13, 2023

The Oil Conservation Commission meeting was a hybrid meeting with both in person and virtual participation options. Commission members met at the Wendell Chino Building, 1220 South St. Francis Dr., Santa Fe, NM 87505 – Secretary’s Conference Room.

MEMBERS PRESENT:

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

OTHERS PRESENT:

Gabriel Smith, Commission Counsel
Emily Bowen, Commission Counsel
Florene Davidson, Commission Clerk

The hearing was called to order by Acting Chair Fuge at approximately 9:01 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 April 13, 2023 agenda and Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried unanimously.

Item 3. Approval of the March 9, 2023 Meeting Minutes

Action: Commissioner Bloom made a motion to approve the March 9, 2023 minutes and Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried unanimously.

Item 4. Pending cases

Action: The following cases were called for status conferences:

Case No. 14720: Targa Northern Delaware, LLC (Targa), the current operator of the Red Hills AGI #1 well, shall submit to the Commission (1) injection data covering the first four years of Agave Energy Company’s operation of the Red Hills AGI #1 Well, located in

Section 13, Township 24 South, Range 33 East, and (2) an updated model of the projected scope of the injection plume after 30 years of injection, which update shall be based on the injection data and any other relevant data concerning the reservoir.

Case No. 23463: Application of Targa Northern Delaware LLC for Authorization to Inject, Lea County, New Mexico. Targa Northern Delaware LLC (“Targa”) seeks authorization to drill and operate a Class II acid gas injection (“AGI”) well, the Red Hills AGI #3 well, at Targa’s gas processing facility (“Facility”) in Lea County, New Mexico. The proposed redundant well (Red Hills AGI #3) will be a vertical well with a surface location approximately 1,138 feet from the north line (FNL) and 354 feet from the east line (FEL) of Section 13, Township 24 South, Range 33 East, Lea County, New Mexico. The proposed injection zones for this well are the Devonian and Upper Silurian Wristen and Fusselman Formations, at depths of approximately 16,000 to 17,600 feet. The maximum surface pressure will not exceed 5,000 psi with a maximum daily injection volume of twenty-six (26) million standard cubic feet. The proposed well will serve as a disposal well for treated acid gas at the Facility. The proposed well is located approximately 20 miles west of Jal, New Mexico

Case No. 23294: Application of Salt Creek Midstream, LLC to Amend Order No. R-20913-D. Applicant requests that the New Mexico Oil Conservation Commission issue an order amending Order No. R-20913-D to extend the deadline for Salt Creek to commence injection into the Salt Creek Midstream AGI No. 1 Well (API: 30-25-46746) (“Well”) until six months from the date of the amended order. The Well is a vertical Underground Injection Control Class II well with an approximate surface and bottom hole location at 594 feet from the West line and 2,370 feet from the South line of Section 21, Township 26 South, Range 36 East. The target injection zone for the Well is located in the Bell Canyon and Cherry Canyon formations at depths of approximately 5,410 feet to 7,000 feet. Applicant’s current deadline to commence injection expires on December 28, 2022.

Case No 23464: Second Application of Salt Creek Midstream, LLC to Amend Order No. R-20913-D. Salt Creek Midstream, LLC (“Salt Creek” or “Applicant”) requests that the New Mexico Oil Conservation Commission issue an order amending Order No. R-20913-D to: (1) approve a new well design and location for the Salt Creek Midstream AGI No. 1 Well (API: 30-25-46746) (“Well”); and (2) extend the deadline for Salt Creek to commence injection into the Well until twenty-four (24) months from the date of the amended order. As approved, the Well is a vertical Underground Injection Control Class II well with an approximate surface and bottom hole location at 594 feet from the West line and 2,370 feet from the South line of Section 21, Township 26 South, Range 36 East, Lea County, New Mexico. Salt Creek requests approval of a new well design and authorization to drill the Well at a location 277 feet from the West line and 2,350 feet from the South line of Section 21, Township 26 South, Range 36 East, Lea County. The target injection zone for the Well will remain in the Bell Canyon and Cherry Canyon formations of the Delaware Mountain Group, and the Well will have an injection interval of approximately 5,580 feet to 7,040 feet. The Well is located approximately 7.5 miles southwest of Jal, New Mexico.

Appearances were made by Dana Hardy representing Targa Northern Delaware LLC (Targa) for its cases and Salt Creek Midstream LLC (Salt Creek) for its cases and Jesse Tremaine for the Oil Conservation Division. Ms. Hardy presented a summary of all four cases. After a discussion with the Commissioners and all parties, it was decided that Salt Creek Cases 23294 and 23464 and Targa Cases 14720 and 23463 would be continued to the Commission hearing scheduled for May 11, 2023 for a full hearing which might last two days. Commissioner Bloom

made a motion to continue Cases 23294, 23464, 14720, and 23463 to the Commission hearing scheduled for May 11 and 12, 2023, and Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried unanimously.

Acting Chair Fuge announced that Cases 21744, 22018, and 22019 for Cimarex Energy Co. and Colgate Operating, LLC have been continued to the regularly scheduled June 8, 2023 Commission meeting.

Item 5. Other business

Action: There was no other business.

Item 6. Pending litigation

Action: There was no pending litigation.

Item 7. **Next meeting**

The next meeting will be held on May 11, 2023.

Item 8. **Adjournment**

Acting Chair Fuge adjourned the meeting at 9:37 a.m.


Dylan Fuge
Acting Chair