

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PRELIMINARY AGENDA AND DOCKET
NEW MEXICO OIL CONSERVATION COMMISSION MEETING

August 25, 2016

9:00 A.M.

Wendell Chino Building
Porter Hall
1220 S. St. Francis Drive
Santa Fe, New Mexico 87501

The following items are for discussion and possible action:

1. Roll Call.
2. Approve the Agenda.
3. Approve minutes of August 8, 2016 meeting.
4. ***Case No. 15379: De Novo (Continued from the July 19, 2016 Commission Meeting.)***
Application of the New Mexico Oil Conservation Division ("OCD") Compliance and Enforcement Manager for a compliance order against Dominion Production Operating, LLC, finding that the operator is in violation of Agreed Compliance Order 285, and the Oil and Gas Act, NMSA 1978, Sections 70-2-1 *et seq.* and OCD rules, NMAC 19.15.2 *et seq.*, requiring operator to return to compliance with division rules by a date certain, and in the event of non-compliance, request for additional sanctions. Upon application of Dominion Production Company, LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC.
5. ***Case No. 15363: De Novo (Continued from the July 19, 2016 Commission Meeting.)***
The Commission will hear only any dispositive motions filed by the parties at this hearing.
Application of Matador Production Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a 154.28-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of Lots 1-4 (the W/2 W/2) of Section 31, Township 18 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40-acre spacing within that vertical extent. The unit is to be dedicated to the Airstrip 31 18 35 RN State Com. Well No. 201H, a horizontal well with a surface location in Lot 4, and a terminus in Lot 1, of Section 31. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 15 miles west-northwest of Monument, New Mexico. Upon applications of Jalapeno Corporation and Matador Production Company, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC, appealing both Order No. R-14053 and No. R-14053-B.