

## **NOTICE OF HEARINGS**

### **STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO**

NOTICE IS HEREBY GIVEN that on **Thursday, August 22, 2024** beginning at **8:30 a.m.**, the Oil Conservation Division (“OCD”) of the New Mexico Energy, Minerals and Natural Resources Department will hold public hearings, pursuant to 19.5.4 NMAC for the purpose of considering new applications listed in this notice. All interested persons are invited to appear. The hearings will be held before a hearing examiner and will be conducted in a hybrid fashion, both in-person and via MS Teams virtual meeting platform. To attend:

**Location:**

Energy, Minerals and Natural Resources Department  
Wendell Chino Building – Pecos Hall  
1220 South St. Francis Drive, 1st Floor  
Santa Fe, NM 87505

-or-

**MS Teams Link:**

Click [HERE](#) to join the meeting.

**Dial-In:**

(505) 312-4308

Phone conference ID:

If you choose to attend remotely, please mute yourself upon entry.

The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Freya Tschantz, at [Freya.Tschantz@emnrd.nm.gov](mailto:Freya.Tschantz@emnrd.nm.gov).

Documents filed in these cases may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>.

Presenting parties are required to submit a pre-hearing statement no later than the Thursday before the hearing. The pre-hearing statement shall include: 1) a list of disputed facts and issues; 2) identification of witnesses and their qualifications; and 3) all exhibits and written testimony a party intends to enter into evidence at the hearing and a full narrative for each.

If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact [Freya.Tschantz@emnrd.nm.gov](mailto:Freya.Tschantz@emnrd.nm.gov), or the New Mexico Relay Network at 1-800-659-1779, no later than 10 days prior to the hearing.

Note: All land descriptions refer to the New Mexico Principal Meridian.

**1. Case No. 24736: Application of Pride Energy Company for creation of a special Wolfbone oil pool in parts of Sections 12 and 13, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico.** Pride Energy Company seeks an order pursuant to Order No. R-23132, creating the proposed Quail Ridge; Wolfbone, Northeast Pool, covering the stratigraphic equivalent of the top of the Third Bone Spring Sand, located at approximately 10,775 feet measured depth, to the stratigraphic equivalent of the base of the Wolfcamp A shale, located at approximately 11,306 measured depth, as found in the compensated neutron density log of the Super Cobra State Com. Well No. 1H (API No. 30-025-41987), which is located in the same section as a portion of the proposed pool (Section 13, Township 19 South, Range 34 East, N.M.P.M.). Concurrently, the order would contract the vertical extent of the Scharb; Bone Spring Pool (Code 55610) and the WC-025 G-09S203435D; Wolfcamp Pool (Code 92847), in a manner that avoids overlap with the proposed Quail Ridge; Wolfbone, Northeast Pool. The proposed pool would (a) initially cover the W/2W/2 of Section 12 and the W/2W/2 of Section 13, Township 19 South, Range 34 East, NMPM, and (b) treat hydrocarbons as being produced equally from the Third Bone

Spring Sand and the Wolfcamp A zone, on an acreage basis and the thicknesses of Third Bone Spring Sand and the Wolfcamp A. The proposed pool is located approximately 15-1/2 miles north-northeast of Halfway, New Mexico.

**2. Case No. 24731: Application of Tap Rock Operating, LLC for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 1920 acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of all of all of Sections 11 and 12, Township 25 South, Range 25 East, and all of Section 7 in Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed High Life Fed Com 211H, High Life Fed Com 202H, High Life Fed Com 213H, and High Life Fed Com 204H, each of the wells to be horizontally drilled as follows:

- High Life Fed Com 211H, which will be drilled from a surface hole location the SE/4 NE/4 of Section 10, Township 25 South, Range 25 East (Unit H) to a bottom hole located 5 Feet from the East Line in Section 7 and 393 Feet from the North Line in Section 7 (Unit A) Township 25 South, Range 26 East.
- High Life Fed Com 202H, which will be drilled from a surface hole location the SE/4 NE/4 of Section 10, Township 25 South, Range 25 East (Unit H) to a bottom hole located 5 Feet from the East Line in Section 7 and 1,607 Feet from the North Line in Section 7 (Unit H) Township 25 South, Range 26 East.
- High Life Fed Com 213H, which will be drilled from a surface hole location the NW/4 SW/4 of Section 11, Township 25 South, Range 25 East (Unit L) to a bottom hole located 5 Feet from the East Line in Section 7 and 2360 Feet from the North Line in Section 7 (Unit I) Township 25 South, Range 26 East.
- High Life Fed Com 204H, which will be drilled from a surface hole location the NW/4 SW/4 of Section 11, Township 25 South, Range 25 East (Unit L) to a bottom hole located 5 Feet from the East Line in Section 7 and 990 Feet from the North Line in Section 7 (Unit P) Township 25 South, Range 26 East.

This horizontal spacing unit will overlap the following existing Wolfcamp spacing unit: 320-acre vertical well spacing unit covering the S/2 of Section 11, Township 25 South, Range 25 East, NMPM, Eddy County, New Mexico, dedicated to the Wild Hog 11 Federal #001 (API 30-015-31943). Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 2.1 miles east of Whites City, New Mexico.

**3. Case No. 24739: Application of Tap Rock Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 1920 acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of all of all of Sections 2, 3 and 4, Township 25 South, Range 25 East NMPM, Eddy County, New Mexico initially dedicated to the proposed Beer 30 Fed Com #202H, Beer 30 Fed Com #204H, Beer 30 Fed Com #211H, and the Beer 30 Fed Com #213H wells to be horizontally drilled as follows:

- Beer 30 Fed Com #202H, which will be drilled from a surface hole location the NE/4 NE/4 of Section 2, Township 25 South, Range 25 East (Unit A) to a bottom hole located 5 Feet from the West Line in Section 4 and 1,650 Feet from the North Line in Section 4 (Unit E) Township 25 South, Range 25 East.
- Beer 30 Fed Com #204H, which will be drilled from a surface hole location the SE/4 SE/4 of Section 2, Township 25 South, Range 25 East (Unit P) to a bottom hole located 5 Feet from the West Line in Section 4 and 990 Feet from the South Line in Section 4 (Unit M) Township 25 South, Range 25 East.
- Beer 30 Fed Com #211H, which will be drilled from a surface hole location the NE/4 NE/4 of Section 2, Township 25 South, Range 25 East (Unit A) to a bottom hole located 5 Feet from the West Line in Section 4 and 330 Feet from the North Line in Section 4 (Unit D) Township 25 South, Range 25 East.
- Beer 30 Fed Com #213H, which will be drilled from a surface hole location the SE/4 SE/4 of Section 2, Township 25 South, Range 25 East (Unit P) to a bottom hole located 5 Feet from the West Line in Section 4 and 2,360 Feet from the North Line in Section 4 (Unit L) Township 25 South, Range 25 East.

Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 1.5 miles east of Whites City, New Mexico.

**4. Case No. 24743: Unresolved Notice of Violation** of 19.15.25.8, 19.15.5.9(A), 19.15.7.24 and 19.15.25.10 NMAC

**5. Case No. 24745: Application of COG Operating, LLC to Amend Order No. R-22859 to Extend Time to Commence Drilling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks a one-year extension of time to commence drilling the initial wells approved under Order No. R-22859. This pooling Order was entered on September 10, 2023, in Case No. 23650, and created a standard 947-acre, more or less, horizontal well spacing unit in the Wolfcamp formation [Purple Sage Wolfcamp (Gas) Pool (98220)] underlying the S/2 equivalent of irregular Section 30 and all of

irregular Section 31, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Unit"). COG is the designated operator of the Unit, and it is dedicated the approved TLC 30 Fed Com 701H, 702H, 703H, 801H, 802H, 803H and 804H wells. Said area is located approximately 7 miles west of Loving, New Mexico.

**6. Case No. 24746: Amended Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) down to 8,062' (being 300' above the top of the Wolfcamp Formation, or 8,362') in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the E/2 NE/4 of Section 3, Township 25 South, Range 26 East and the E/2 E/2 of Section 34, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 1.5-mile well in the HSU: Bombsite Fed Com BS #1H well, to be horizontally drilled from a surface hole location approximately 1,885' FSL and 2,526' FEL of Section 3, T25S-R26E to a bottom hole location approximately 100' FNL and 755' FEL of Section 34, T24S-R26E. The completed intervals and first and last take points will meet statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are approximately 6 miles Southeast of Whites City, New Mexico.

**7. Case No. 24747: Amended Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) down to 8,062' (being 300' above the top of the Wolfcamp Formation, or 8,362') in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the W/2 NE/4 of Section 3, Township 25 South, Range 26 East and the W/2 E/2 of Section 34, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 1.5-mile well in the HSU: Bombsite Fed Com BS #2H well, to be horizontally drilled from a surface hole location approximately 2,110' FSL and 2,556' FEL of Section 3, T25S-R26E to a bottom hole location approximately 100' FNL and 1,990' FEL of Section 34, T24S-R26E. The completed intervals and first and last take points will meet statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and land are approximately 6 miles Southeast of Whites City, New Mexico.

**8. Case No. 24748: Amended Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation down to 8,062' (being 300' above the top of the Wolfcamp Formation, or 8,362') (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the E/2 NW/4 of Section 3, Township 25 South, Range 26 East and the E/2 W/2 of Section 34, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 1.5-mile well in the HSU: Bombsite Fed Com BS #3H well, to be horizontally drilled from a surface hole location approximately 2,075' FSL and 2,586' FEL of Section 3, T25S-R26E to a bottom hole location approximately 100' FNL and 2,044' FWL of Section 34, T24S-R26E. The completed intervals and first and last take points will meet statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and land are approximately 6 miles Southeast of Whites City, New Mexico.

**9. Case No. 24749: Amended Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation down to 8,062' (being 300' above the top of the Wolfcamp Formation, or 8,362') (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the W/2 NW/4 of Section 3, Township 25 South, Range 26 East and the W/2 W/2 of Section 34, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Bombsite Fed Com BS #4H well, to be horizontally drilled from a surface hole location approximately 2,075' FSL and 2,616' FEL of Section 3, T25S-R26E to a bottom hole location approximately 100' FNL and 590' FWL of Section 34, T24S-R26E. The completed intervals and first and last take points will meet statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and land are approximately 6 miles Southeast of Whites City, New Mexico.

**10. Case No. 24750: Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order from the Oil Conservation Division approving a non-standard proration unit and pooling all uncommitted mineral interests in the Bone Spring formation (MESCALERA ESCARPE; BONESPRING [45793]) in a non-standard 1,280-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of Sections 9 and 10, all in Township 19 South, Range 33 East, in Lea County, New Mexico. Applicant proposes to drill the following 2-mile wells in the HSU: (1) Delorean 9 10 Fed Com 221H well (API# 30-025-52949), to be horizontally drilled from a surface location in Section 9, Township 19S-33E, with a first take point located 100' FWL & 990' FNL of Section 9, and a last take point located 100' FEL & 990' FNL of Section 10, Township 19S, Range 33E; (2) Delorean 9 10 Fed Com 222H well (API# 30-025-52953), to be horizontally drilled from a surface location in Section 9, Township 19S-33E, with a first take point located 100' FWL & 2310' FNL of Section 9, and a last take point located 100' FEL & 2310' FN of Section 10, Township 19S, Range 33E; (3) Delorean 9 10 Fed Com 223H well (API# 30-025-52951), to be horizontally drilled from a surface location in Section 9, Township 19S-33E, with a first take point located 100' FWL & 1650' FSL of Section 9, and a last take point located 100' FEL & 1650' FSL of Section 10, Township 19S, Range 33E; and (4) Delorean 9 10 Fed Com 224H well (API# 30-025-52952), to be horizontally drilled from a surface location in Section 9, Township 19S-33E, with a first take point located 100' FWL & 330' FSL of Section 9, and a last take point located 100' FEL & 330' FSL of Section 10, Township 19S, Range 33E. Additional considerations will be the cost of drilling and completing the wells and allocation of such costs, the designation of Applicant as operator of the HSU and wells to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 30 miles West of Hobbs, New Mexico.

**11. Case No. 24751: Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.** Permian Resources Operating, LLC ("Applicant") applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 280-acre, more or less, standard horizontal spacing unit comprised of the NW/4 SE/4 and N/2 SW/4 of Section 25, and the N/2 S/2 of Section 26, Township 19 South, Range 30 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Morbucks 25-26 Federal Com 123H well ("Well"), which will be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 25, to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 26. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 23 miles northeast of Carlsbad, New Mexico.

**12. Case No. 24752: Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.** Permian Resources Operating, LLC ("Applicant") applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 280-acre, more or less, standard horizontal spacing unit comprised of the SW/4 SE/4 and S/2 SW/4 of Section 25, and the S/2 S/2 of Section 26, Township 19 South, Range 30 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Morbucks 25-26 Federal Com 124H well ("Well"), which will be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 25, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 26. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 23 miles northeast of Carlsbad, New Mexico.

**13. Case No. 24753: Application of Colgate Production, LLC to Extend Time to Commence Drilling Operations, Eddy County, New Mexico.** The Division issued Order No. R-22837 ("Order") in Case No. 23640 on August 25, 2023. The Order: approved a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Sections 9 and 10, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"); dedicated the Unit to the Koala 9 Fed Com 111H, Koala 9 Fed Com 121H, and Koala 9 Fed Com 131H wells ("Wells"); and designated Permian Resources Operating, LLC (OGRID No. 372165) ("Permian Resources") as the operator of the Unit and the Wells. The Order requires Permian Resources to commence drilling the Wells within one year of the date of the Order. Colgate Production, LLC and Permian Resources request that the Division extend the deadline to commence drilling the Wells until August 25, 2025, so that the wells can be uniformly developed with offset project. The Wells are located approximately 12 miles northeast of Carlsbad, New Mexico.

**14. Case No. 24744: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the E2E2 of Sections 28 and 33, Township 28 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Bobby Pickard State Com 124H well to be

horizontally drilled from a surface location on the SW4 of Section 21, with proposed first take point in the NE4NE4 (Unit P) of Sections 28 and a last take point in the SE4SE4 (Unit P) of Section 33. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 20 miles southwest of Lovington, New Mexico.  
**(Continued to: Tuesday, September 17, 2024)**

**15. Case No. 24740: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the W2W2 of Sections 28 and 33, Township 28 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Bobby Pickard State Com 121H well to be horizontally drilled from a surface location on the SW4 of Section 21, with proposed first take point in the NW4NW4 (Unit D) of Sections 28 and a last take point in the SW4SW4 (Unit M) of Section 33. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 20 miles southwest of Lovington, New Mexico.  
**(Continued to: Tuesday, September 17, 2024)**

**16. Case No. 24741: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the E2W2 of Sections 28 and 33, Township 28 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Bobby Pickard State Com 122H well to be horizontally drilled from a surface location on the SW4 of Section 21, with proposed first take point in the NE4NW4 (Unit C) of Sections 28 and a last take point in the SE4SW4 (Unit N) of Section 33. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 20 miles southwest of Lovington, New Mexico.  
**(Continued to: Tuesday, September 17, 2024)**

**17. Case No. 24742: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the W2E2 of Sections 28 and 33, Township 28 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Bobby Pickard State Com 123H well to be horizontally drilled from a surface location on the SW4 of Section 21, with proposed first take point in the NW4NE4 (Unit B) of Sections 28 and a last take point in the SW4SE4 (Unit O) of Section 33. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 20 miles southwest of Lovington, New Mexico.  
**(Continued to: Tuesday, September 17, 2024)**

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this Friday, August 2, 2024

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

**Gerasimos Razatos  
Acting Director, Oil Conservation Division**