

DOCKET: OIL CONSERVATION DIVISION HEARINGS - Tuesday, January 28, 2025

**9:00 a.m. - 1220 South St. Francis, Santa Fe, New Mexico 87505
and via MS Teams (login information below)**

Virtual Attendance:

Click [HERE](#) to be connected to the meeting.

Dial-in by phone:

(505) 312-4308

Phone conference ID: 698 431 988#

Pre-hearing statements shall be filed no later than **9:00 a.m.**, 4 business days before the hearing and in addition to the requirements of 19.15.4.13.B(1) NMAC, shall include the following: all evidentiary exhibits, documents, affidavits, and full-written testimony of any witness a party offers at the hearing. Exhibits must be sequentially marked on every page. Failure to file a complete pre-hearing statement on time may cause the Hearing Examiner to continue the hearing and/or impose sanctions up to and including the exclusion of late-filed evidence. Evidentiary objections must be filed no later than 48 hours before the hearing. Rulings on the objections will be addressed as a preliminary matter when the case is called. All witnesses filing direct testimony shall attend the hearing and may be subject to cross-examination by Counsel and the Division's Examiners.

NOTICE: The hearing examiner may call the following cases in any order at their discretion.

	Case Number	Description
1.	24941	<p>Application of Read & Stevens, Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in a portion of the Bone Spring formation, from the top of the Bone Spring formation to the base of the Second Bone Spring formation, underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the S/2 N/2 of Sections 14 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Slim Jim 14-15 Fed Com 122H and Slim Jim 14-15 Fed Com 123H wells, both to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 14, with a first take point in the SE/4 NE/4 (Unit H) of Section 14, and a last take point in the SW/4 NW/4 (Unit E) of Section 15. 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 Permian Resources Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8.5 miles southwest of Maljamar, New Mexico.</p> <p>Setting: Contested Hearing Joined with Cases: 24942, 24994, 24995, 25116</p>
2.	24942	<p>Application of Read & Stevens, Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in a portion of the Bone Spring formation, from the top of the Bone Spring formation to the base of the Second Bone Spring formation, underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of the S/2 of Sections 14 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Slim Jim 14-15 Fed Com 124H and Slim Jim 14-15 Fed Com 125H wells, both to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 14, with a first take point in the NE/4 SE/4 (Unit I) of Section 14, and a last take point in the NW/4 SW/4 (Unit L) of Section 15; and Slim Jim 14-15 Fed Com 126H well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 14, with a first take point in the SE/4 SE/4 (Unit P) of Section 14, and a last take point in the SW/4 SW/4 (Unit M) of Section 15. 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 Permian Resources Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8.5 miles southwest of</p>

		<p>Maljamar, New Mexico.</p> <p>Setting: Contested Hearing Joined with Cases: 24941, 24994, 24995, 25116</p>
3.	24994	<p>Application of V-F Petroleum Inc. 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, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the Rainier 16-15 Fed Com #221H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15; and the Rainier 16-15 Fed Com #231H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 15. The proposed wells will be orthodox, and their take points and completed intervals will comply with the setback requirements under statewide Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 31 miles southeast of Artesia, New Mexico.</p> <p>Setting: Contested Hearing Joined with Cases: 24941, 24942, 24995, 25116</p>
4.	24995	<p>Application of V-F Petroleum Inc. 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, designated as an oil pool, underlying a standard 320-acre, more or less, spacing unit comprised of the N/2 S/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the Rainier 16-15 Fed Com #222H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 15; and the Rainier 16-15 Fed Com #232H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 15. The proposed wells will be orthodox, and their take points and completed intervals will comply with the setback requirements under statewide Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 31 miles southeast of Artesia, New Mexico.</p> <p>Setting: Contested Hearing Joined with Cases: 24941, 24942, 24994, 25116</p>
5.	25116	<p>Application of V-F Petroleum Inc. 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 First and Second Bone Spring formations, designated as an oil pool, from the top of the First Bone Spring formation, at an approximate depth of 6,048' beneath the surface, to the base of the Second Bone Spring formation, at an approximate depth of 8,913' beneath the surface, as shown in that certain Dual Laterolog, Micro Laterlog, Gamma Ray well log in the Tamano 15 Fed Com #2 well (API # 30-015-33398), located in Sec. 15, Township 18 South, Range 31 East, Eddy County, New Mexico, underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 N/2 of Sections 16 and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the Rainier 16-15 Fed Com #223H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15. The proposed well will be orthodox, and its take points and completed interval will comply with the setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for</p>

		<p>supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 31 miles southeast of Artesia, New Mexico.</p> <p>Setting: Contested Hearing Joined with Cases: 24941, 24942, 24994, 24995</p>
The following cases will be heard at 2:00 p.m. on January 28, 2025:		
6.	24977	<p>Application of Fasken Oil and Ranch, Ltd. to Extend the Drilling Deadline Under Order Nos. R-21922 and R-21922-B, Lea County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. R-21922 and Order No. R-21922-B to extend by one year, through December 7, 2025, the time to commence drilling the Thai Curry Fed Com 223H and the Thai Curry Fed Com 224H wells, proposed to be drilled into the Bone Spring formation (SALT LAKE; BONE SPRING [53560]) in a standard 560-acre, more or less, horizontal spacing and proration unit with proximity tracts, comprised of the E/2 of Section 22 and NE/4 and N/2 SE/4 of Section 27, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico. The wells and lands are located approximately twenty-seven miles northeast of Loving, New Mexico.</p> <p>Setting: Contested Hearing Joined with Cases: 24978</p>
7.	24978	<p>Application of Fasken Oil and Ranch, Ltd. to Extend the Drilling Deadline Under Order Nos. R-21923 and R-21923-B, Lea County, New Mexico. Applicant in the above-styled cause seeks to amend Order Nos. R-21923 and R-21923-B to extend by one year, through December 7, 2024, the time to commence drilling the Thai Curry Fed Com 433H and the Thai Curry Fed Com 434H wells, proposed to be drilled into the Wolfcamp formation (SALT LAKE; WOLFCAMP [53570]) in a standard 560-acre, more or less, horizontal spacing and proration unit with proximity tracts, underlying the E/2 of Section 22 and NE/4 and N/2 SE/4 of Section 27, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico. The wells and lands are located approximately twenty-seven miles northeast of Loving, New Mexico.</p> <p>Setting: Contested Hearing Joined with Cases: 24977</p>