PRELIMINARY AGENDA STATE OF NEW MEXICO OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO OCTOBER 9, 2024 9:00 A.M.

The State of New Mexico Oil Conservation Commission meeting will be held in a hybrid format with both in-person and virtual participation options as set forth below. The meeting will be held in Pecos Hall, First Floor, Wendell Chino Building, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505.

The Commission's public meeting may also be accessed by using the following link and/or meeting information:

Wednesday, October 9, 2024, 9:00 AM | 8 hours | (UTC-07:00) Mountain Time (US & Canada)

Persons may view and participate in the hearings through the following link: Join the meeting now

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Meeting ID: 230 254 571 147 Passcode: sgcbtB

Dial in by phone +1 505-312-4308,,499353200# United States, Albuquerque (888) 506-1357,, 499353200# United States (Toll-free)

Thursday, October 10, 2024 (Day 2 if needed): SAME LINK AND LOGIN INFORMATION AS ABOVE

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Sheila Apodaca at (505) 699-8358 or through the New Mexico Relay Network at 1-800-659- 1779. Public documents can be provided in various accessible formats. A preliminary agenda will be available to the public no later than two weeks prior. A final agenda will be available no later than 72 hours preceding the meeting. Members of the public may obtain copies of the agenda by contacting Ms. Apodaca or by visiting the Oil Conservation Division website at *www.emnrd.nm.gov/ocd.*

The following items are for discussion and possible action:

- 1. Roll Call
- 2. Approval of the October 9, 2024, Agenda
- 3. Approval of the September 23, 2024, Meeting Minutes

4. Pending cases

The following items are for discussion and possible action:

- 1. <u>Case No. 24813</u>: Application of Avant Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a standard 640-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2 of Sections 15 and 22, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Ruby Federal Com #300H, Ruby Federal Com #500H, and Ruby Federal Com #600H wells with proposed first take points in the NW/4NE/4 (Unit B) of Section 15 and proposed last take points in the SW/4SE/4 (Unit O) of Section 22, and the Ruby Federal Com #301H, Ruby Federal Com #302H, Ruby Federal Com #501H, Ruby Federal Com #502H, Ruby Federal Com #601H, and Ruby Federal Com #602H wells with proposed first take points in the NE/4NE/4 (Unit A) of Section 15 and proposed last take points in the SE/4SE/4 (Unit P) of Section 22. The wells will be drilled at orthodox locations. The completed intervals for the Ruby Federal Com #301H, Ruby Federal Com #501H, and Ruby Federal Com #601H wells are expected to be less than 330 feet from the adjoining tracts, thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.
 - > Matter to be heard: Status Conference
- 2. Case No. 24814: Application of Avant Natural Resources, LLC for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a non-standard 1,280acre, more or less, spacing and proration unit composed of all of Section 31, Township 18 South, Range 33 East, N.M.P.M. and all of Section 6, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico; and (2) pooling all uncommitted mineral interests in the Bone Spring Formation, designated as an oil pool, underlying said unit. The proposed wells to be dedicated to the horizontal spacing unit are Emerald Fed Com #301H, Emerald Fed Com #302H, Emerald Fed Com #501H, Emerald Fed Com #502H, Emerald Fed Com #601H, and Emerald Fed Com #602H, which are oil wells that will be horizontally drilled from a surface location in Lot 7 of Section 6 to a bottom hole location in the Bone Spring Formation in Lot 1 of Section 31; Emerald Fed Com #303H, Emerald Fed Com #513H, and Emerald Fed Com #603H, which are oil wells that will be horizontally drilled from a surface location in Lot 7of Section 6 to a bottom hole location in the Bone Spring Formation in the NE/4NW/4 (Unit C) of Section 31; Emerald Fed Com #304H, Emerald Fed Com #514H, and Emerald Fed Com #604H, which are oil wells that will be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 6 to a bottom hole location in the Bone Spring Formation in the NW/4NE/4 (Unit B) of Section 31; and Emerald Fed Com #305H, Emerald Fed Com #306H, Emerald Fed Com #515H, Emerald Fed Com #516H, Emerald Fed Com #605H, and Emerald Fed Com #606H, which are oil wells that will be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 6 to a bottom hole

location in the Bone Spring Formation in the NE/4NE/4 (Unit A) of Section 31. The wells are orthodox in location, and the take points and laterals comply with Statewide Rules for setbacks. Applicant will apply for administrative approval of the non-standard spacing unit. 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 5 miles west from Hobbs, New Mexico.

- > Matter to be heard: Status Conference/Applicant's Notice of Dismissal.
- 3. Case No. 24816: Application of Avant Operating, LLC for approval of a nonstandard unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division (1) approving a non-standard 640-acre spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of Section 13, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. This spacing unit will be dedicated to the Margie 13 Fed Com 201H, Margie 13 Fed Com 202H, Margie 13 Fed Com 203H, Margie 13 Fed Com 204H, Margie 13 Fed Com 205H, Margie 13 Fed Com 206H, Margie 13 Fed Com 301H, Margie 13 Fed Com 302H, Margie 13 Fed Com 303H, Margie 13 Fed Com 304H, Margie 13 Fed Com 305H, Margie 13 Fed Com 501H, Margie 13 Fed Com 502H, Margie 13 Fed Com 503H, Margie 13 Fed Com 504H, Margie 13Fed Com 505H, Margie 13 Fed Com 506H, Margie 13 Fed Com 601H, Margie 13 Fed Com 602H, Margie 13 Fed Com 603H, Margie 13 Fed Com 604H, Margie 13 Fed Com 651H, Margie 13 Fed Com 652H, Margie 13 Fed Com 653H, Margie 13 Fed Com 654H, and the Margie 13 Fed Com 655H wells to be horizontally drilled. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 20 miles west-southwest of Monument, New Mexico.
 - > Matter to be heard: Status Conference
- 4. Case No. 24683: Application of Western Environmental Law Center, Citizens Caring for the Future, Conservation Voters New Mexico Education Fund, Diné C.A.R.E., Earthworks, Naeva, New Mexico Interfaith Power and Light, San Juan Citizens Alliance, and Sierra Club, to amend 19.15.2, 19.15.5, 19.15.8, 19.15.9, and 19.15.25 NMAC.
 - > Matter to be heard: Appointment of Hearing Officer.
- 5. Pending Litigation
- 6. Other Business
- 7. Next Meeting November 12-15, 2024
- 8. Adjourn