

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF OWL OIL AND GAS LLC
FOR APPROVAL OF A SALT WATER DISPOSAL
WELL, EDDY COUNTY, NEW MEXICO.

Case No. 15,060

PRE-HEARING STATEMENT

This pre-hearing statement is submitted as required by the Oil Conservation Division in the instance that a party wishes to both cross-examine witnesses and to present evidence.

APPEARANCE ON BEHALF OF THE NEW MEXICO STATE LAND OFFICE

Hugh W. Dangler
Associate Counsel
New Mexico State Land Office
310 Old Santa Fe Trail
P.O. Box 1148
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STATEMENT OF THE CASE

The State Land Office (SLO) understands that the applicant wishes to dispose produced water at a depth of 670-785 feet below Myrtle Myra Well No. 3. The concerns expressed by Sheila Mallory, Deputy State Director of the United States Department of the Interior in her letter of March 14, 2013, are shared by the SLO Oil and Gas Division, with the addition of our understanding that no sufficient barrier exists to limit the migration of disposed fluids into the Capitan Reef.

PROPOSED EVIDENCE

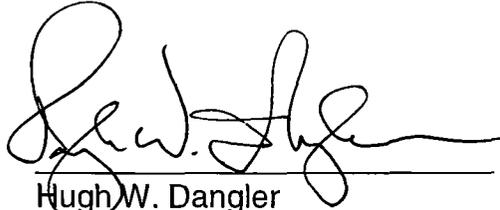
<u>WITNESSES</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Anchor Holm, Professional Petroleum Engineer	15 minutes	2
William Jones	10 minutes	

Professional Petroleum Engineer

PROCEDURAL MATTERS

The State Land Office is not aware of any procedural matters at this time.

Respectfully Submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 27th day of March, 2013 by e-mail:

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