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April 9, 2015

Hand Delivered

Florene Davidson
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: NMOCD Case No. 15262: APPLICATION OF MESQUITE SWD, INC. FOR
APPROVAL OF SALT WATER DISPOSAL WELL, LEA COUNTY, NEW MEXICO.

Dear Ms. Davidson:

Enclosed for filing on behalf of Fulfer Oil and Cattle LLC and Driftwood Oil, LLC,
is a Pre-Hearing Statement.

Thank you.

Very truly yours,

J. Scott Hall

cc: James Bruce, Esq.

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

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APPLICATION OF MESQUITE SWD, INC. FOR
APPROVAL OF A SALT WATER DISPOSAL
WELL, LEA COUNTY, NEW MEXICO

Case No. 15262

PRE-HEARING STATEMENT

Fulfer Oil & Cattle LLC, ("Fulfer") and Driftwood Oil, LLC, ("Driftwood") provide this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

OPPONENTS

Fulfer Oil & Cattle LLC, and
Driftwood Oil, LLC

OPPONENTS ATTORNEY

J. Scott Hall, Esq.
Seth C. McMillan, Esq.
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APPLICANT

Mesquite SWD, Inc.

APPLICANT'S ATTORNEY

James Bruce, Esq.
P.O. Box 1056
Santa Fe, NM 87504
Telephone (505) 982-2043
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STATEMENT OF THE CASE

Applicant, Mesquite SWD, Inc. ("Mesquite") seeks an order to (i) drill its proposed Johnny East SWD Well No. 1, to be located 300 feet from the south line and 2340 feet from the west line of Section 11, Township 25 South, Range 36 East, N.M.P.M., Lea County, New Mexico; (ii) to dispose of produced water into the Basal Yates and Upper Seven Rivers formations at depths of 3378-3388 feet subsurface.

Fulfer and Driftwood oppose Mesquite's application for a salt water disposal well. Fulfer operates producing wells that are producing or capable of producing hydrocarbon reserves in close proximity to the proposed disposal well which will be adversely affected. In addition, the proposed disposal well would be located within the Capitan Reef Complex.

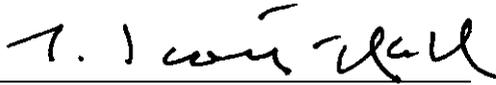
PROPOSED EVIDENCE

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Gregg Fulfer, Operator, Driftwood Oil	10 minutes	2
Steve Patee, Petroleum Engineer	20 minutes	6

Respectfully submitted,

MONTGOMERY & ANDREWS, P. A.

By: 

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Attorneys for Fulfer Oil & Cattle LLC, and Driftwood Oil, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served to counsel of record by
electronic mail this 9th day of April, 2015:

James Bruce, Esq.
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Attorneys for Mesquite SWD, Inc.



J. Scott Hall