

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

RECEIVED OCD

2016 JUN -9 P 3:13
CASE NO. 15487

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
THROUGH THE SUPERVISOR OF DISTRICT II FOR AN EMERGENCY ORDER
SUSPENDING CERTAIN APPROVED APPLICATIONS FOR PERMITS TO DRILL,
AND FOR ADOPTION OF SPECIAL RULES FOR DRILLING IN CERTAIN AREAS
FOR THE PROTECTION OF FRESH WATER, CHAVES AND EDDY COUNTIES,
NEW MEXICO**

OIL CONSERVATION DIVISION'S PRE-HEARING STATEMENT

The Supervisor of Oil Conservation Division (OCD) District II ("Applicant") hereby submits its Pre-Hearing Statement for the hearing scheduled on Wednesday, June 15, 2015.

PARTIES

Applicant:

THE NEW MEXICO OIL CONSERVATION
DIVISION THROUGH THE SUPERVISOR
OF DISTRICT II

COG Operating, LLC
OXY YSA Inc.
Fasken Oil and Ranch, Ltd.

Pecos Valley Artesian Conservancy District

ATTORNEYS

David K. Brooks
Energy, Minerals and Natural Resources
Department, State of New Mexico
1220 S. St. Francis Drive
Santa Fe, NM 87505
Phone: (505)-476-3415
FAX (505)-476-3462
Davidk.Brooks@state.nm.us

Michael H. Feldewert
Jordan L. Kessler
Holland & Hart, LLP
P.O. Box 2208
Santa Fe, NM 87504
Phone: (505)-988-4421
FAX: (505)-983-6043

A.J. Olsen
Alvin F. Jones
Olivia R. Mitchell
P.O. Box 1415
Roswell, NM 88202

Phone: (575)-624-2463
FAX: (575)-624-2878
ajolsen@h2olawyers.com

Independent Petroleum Association
of New Mexico

Karin V. Foster
Southwest Governmental Affairs, LLC
5825 Mariola Place, NE
Albuquerque, nm 87111
Phone: (505)-238-8385
Karin@SWGovernmentAffairs.com

Yates Petroleum Corporation

Gary W. Larson
Hinkle, Hensley, Shanor & Martin, LLP
P.O. Box 2068
Santa Fe, NM 87504
Phone: (505)-982-4554
FAX (505)-982-8623
glarson@hinklelawfirm.com

Mack Energy Corporation
Devon Energy Production, LP

James Bruce
P.O. Box 1056
Santa Fe, NM 87504
Phone: (505)-982-2043
jamesbruc@aol.com

STATEMENT OF THE CASE

The New Mexico Oil Conservation Division (through the District Supervisor of District II) has proposed special orders for casing and cementing of new oil or gas wells drilled to be drilled in that portion of the Roswell Artesian Basin, in Chaves and Eddy Counties, New Mexico, overlying the Shallow Aquifer and the Artesian Aquifer, as mapped by the State Engineer. The purpose of the proposed orders is to prevent introduction of fluids from other formations, or from the surface, into either of the aquifers, or into one aquifer from the other.

WITNESSES

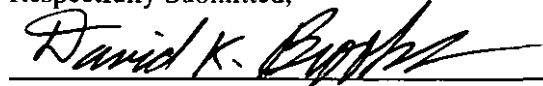
<u>Name</u>	<u>Employer</u>	<u>Position</u>	<u>Field(s) of Expertise</u>
Paul Kautz	NMEMNRD	District Geologist	Petroleum Geology Oil and Gas Well Permitting

Glenn VonGonten	NMEMNRD	Senior Hydrologist	Hydrology, Petroleum Geology
Phillip Goetze	NMEMNRD	Geologic Specialist	Hydrology, Petroleum Geology
<u>Time for Presentation:</u>	3 Hours		

PROCEDURAL MATTERS

The Applicant has no procedural issues. However, unless the Respondents agree, the Examiner may have to determine in what order the Respondents will be invited to make their presentations.

Respectfully Submitted,



David K. Brooks
Assistant General Counsel
Energy, Minerals and Natural Resources Department
1220 S. St. Francis Drive
Santa Fe, NM 87505
Attorney for Oil Conservation Division
District II Supervisor