

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

**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 PROTECTIONS OF FRESH WATER, CHAVES AND EDDY COUNTIES,
NEW MEXICO.**

CASE NO. 15487

AMENDED PRE-HEARING STATEMENT OF COG , FASKEN, AND OXY

COG Operating, LLC, ("COG"), Fasken Oil and Ranch, Ltd., and OXY USA Inc.
("OXY"), jointly submit this Pre-Hearing Statement pursuant to the rules of the Oil Conservation
Division.

APPEARANCES

APPLICANT

Oil Conservation Division

ATTORNEY

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AFFECTED PARTIES

COG Operating LLC,
Fasken Oil & Ranch, Ltd. and
Oxy USA Inc.

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STATEMENT OF CASE

Applicant seeks adoption of “Special Drilling Rules” for a large geographic area in Eddy and Chaves counties identified as the “Designated Area.” COG, Fasken and Oxy believe the Division’s statewide rules adequately protect fresh water aquifers and that the proposed Special Drilling Rules are unnecessary. Further, no factual basis exists for the proposed Special Drilling Rules. Any concerns over whether existing APDs adequately protect the fresh water aquifers in the Designated Area can be adequately addressed by reviewing those APDs to determine whether they conform with existing Division rules and effectively seal off fresh water bearing strata.

Further, the proposed Special Drilling Rules will unnecessarily and substantially increase the costs of drilling oil and gas wells in the Designated Area. The proposed rules are not practical, have the potential to compromise the integrity of the wellbore, and will create unnecessary drilling risks.

PROPOSED EVIDENCE

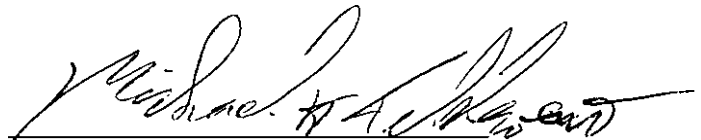
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Carl Bird Petroleum Engineer, COG	Approx. 30	Approx. 10
Harvin Broughton Petroleum Geologist, COG	Approx. 30	Approx. 8
Timothy Reed Hydrologist, COG	Approx. 20	Approx. 5
Sebastian Millan Drilling Engineer, OXY	Approx. 20	Approx. 5
James Reid Senior Drilling Engineer, OXY	Approx. 20	Approx. 5

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



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CERTIFICATE OF SERVICE

I hereby certify that on June 9, 2016, I served a copy of the foregoing document to the following counsel of record via electronic mail:

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