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2016 SEP 29 A 8:10

September 28, 2016

Docket No. 39-16
State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis
Santa Fe, New Mexico 87505

RE: Case Number 15535 Application of Matador Production Company and Mewbourne Oil Company for pool creation, pool reclassification, and special pool rules, Eddy County, New Mexico.

The City of Carlsbad, New Mexico (the city), under the authority of its ordinance (Ordinance 2000-13) maintains and enforces a Wellhead Protection Program to protect domestic water resources from contamination and depletion. The authority for this article and the City's jurisdiction to adopt and enforce such article is pursuant to NMSA 1978, § 3-27-3, providing the city with the authority to protect its municipal water supply and water facilities; the general authority of the city to regulate for the public welfare of its citizens pursuant to NMSA 1978, § 3-17-1; the authority of the city to protect the property of the municipality pursuant to NMSA 1978, § 3-18-1; and the authority authorizing the city to define, abate and penalize nuisances pursuant to NMSA 1978, § 3-18-17; as such statutes may be amended from time to time.

The purpose of this ordinance is to protect the municipal water supply and water facilities of the city from:

- (1) Sources identified as potential water supply contaminants; and
- (2) Activities which may impair the quality or quantity of the city's municipal water supply through adverse impacts on the city's wellfields or water facilities

Under section 52-155(b)(3) of the ordinance, any entity desiring to drill in the wellhead protection areas shall apply to the city for permission for such drilling pursuant to section 52-155(b)(3)c. Such application shall be in addition to any federal or state requirements.

Case Number 15535 seeks to create a new pool, pool reclassification, and special pool rules that may include locations within the areas of the Wellhead Protection Program. A pool is defined under NMAC 19.15.2.7 P (5) as an underground reservoir containing a common accumulation of oil or gas. Each zone of a general structure, which zone is completely separated from other zones in the structure, is covered by the word pool as used in 19.15.2 NMAC through 19.15.39 NMAC. "Pool" is synonymous with "common source of supply" and with "common reservoir". Although the creation, reclassification, and special rules of the new pool

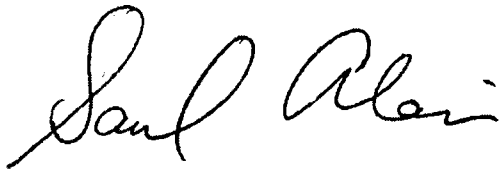
created by Case Number 15535 would classify the accumulation as a common source, any petroleum and related drilling within the areas of the Wellhead Protection Program would be required to comply with the existing ordinance.

The city is requesting that if approved, Case Number 15535 be developed to include provisions incorporating the requirements of 52-155(b)(3) for any and all activities within the areas of the Wellhead Protection Program.

In implementing and enforcing the Wellhead Protection Program, the city shall cooperate with local, state and federal authorities to the extent necessary and as otherwise provided by law or agreement.

Thank you for your attention to this matter.

On Behalf of the City of Carlsbad,

A handwritten signature in black ink, reading "Saul Alanis". The signature is fluid and cursive, with the first name "Saul" and last name "Alanis" clearly distinguishable.

Saul Alanis, CHMM
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