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March 28, 2017

Via Federal Express

OIL CONSERVATION DIVISION

Attn: Florene Davidson
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Re: *OCD Case No. 15487*

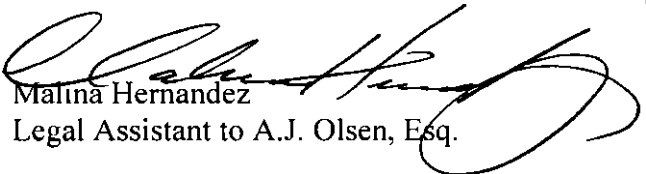
Dear Ms. Davidson:

Enclosed please find one original and six copies of *Pecos Valley Artesian Conservancy District's Pre-Hearing Statement*. I respectfully request that it be submitted for filing and an endorsed copy be returned in the stamped, self-addressed envelope.

Thank you for your attention to this matter. If you have any questions, please feel free to contact me.

Sincerely yours,

HENNIGHAUSEN & OLSEN, L.L.P.


Malina Hernandez
Legal Assistant to A.J. Olsen, Esq.

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

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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

CASE NO. 15487

PECOS VALLEY ARTESIAN CONSERVANCY DISTRICT'S
PRE-HEARING STATEMENT

Pecos Valley Artesian Conservancy District (PVACD), submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

I. PARTIES AND APPEARANCES

APPLICANT

Oil Conservation Division

ATTORNEY

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INTERESTED PARTY

PVACD

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INTERESTED PARTY

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

INTERESTED PARTY

EOG Y Resources Inc.

INTERESTED PARTY

Mack Energy
Devon Energy Production
Company, L.P.

INTERESTED PARTY

Independent Petroleum
Association of New Mexico

INTERESTED PARTY

New Mexico Oil & Gas Association

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II. STATEMENT OF CASE

One February 8, 2017, the Oil Conservation Division Commission entered its Order No. R-14164-D adopting Special Provisions for a Selected Area of the Roswell Artesian Basin (“Special Provisions”), which are included in Attachment 1 to the Commission’s Order. PVACD joined with Lime Rock, EOG Y Resources, Inc., COG Operating, LLC, Fasken Oil & Ranch, Ltd., OXY USA Inc., Mack Energy Corporation, Devon Energy Production Company, L.P. and the Independent Petroleum Association of New Mexico (collectively “the Joint Applicants”) in requesting a rehearing for purposes of addressing two parts of the Commission’s Special Provisions.

The Pecos Valley Artesian Conservancy District contends that the proposed modification of 19.15.39.11(C)(2) will eliminate ambiguous language and provide clarity to the rule. The PVACD does not disagree with the Division’s proposed substitute language.

III. WITNESSES AND PROPOSED EVIDENCE

A. WITNESSES

Name	Evidence
Bill Netherlin Chairman, PVACD Board of Directors <i>and</i> Water right owner	Mr. Netherlin will testify as to PVACD public policy and clarity to the well casing requirements.

PVACD reserves the right to call a rebuttal witness(es) if appropriate.

B. ESTIMATED TIME:	The estimated time required for the presentation of evidence by PVACD is twenty minutes (20) minutes.
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IV. PROCEDURAL MATTERS

None at this time.

Respectfully submitted

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/s/ A.J. Olsen

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing *Pre-Hearing Statement* was served via electronic mail on March 28, 2017 to the following parties:

/s/ A.J. Olsen

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