

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

2009 APR 3 PM 1 28

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,  
THROUGH THE ENVIRONMENTAL BUREAU CHIEF, FOR ADOPTION OF  
AN AMENDMENT TO 19.15.39 NMAC ADDING NEW SECTIONS TO BE  
CODIFIED AT 19.15.39.9 AND 19.15.39.10 NMAC ADDRESSING SPECIAL  
PROVISIONS FOR SANTA FE COUNTY AND THE GALISTEO BASIN; SANTA  
FE, SANDOVAL AND SAN MIGUEL COUNTIES.

CASE NO. 14255

PRE-HEARING STATEMENT

The Oil Conservation Division submits this pre-hearing statement pursuant to 19.15.3.11 NMAC.

APPEARANCES

APPLICANT

Oil Conservation Division

APPLICANT'S ATTORNEY

Gail MacQuesten  
Oil Conservation Division  
Energy, Minerals and Natural  
Resources Department  
1220 S. St. Francis Drive  
Santa Fe, NM 87505  
(505) 476-3451  
FAX: 476-3462  
Gail.macquesten@state.nm.us

RESPONDENT

Independent Petroleum Assn. Of New Mexico

Karin V. Foster, Esq.  
Chatham Partners Inc.  
5805 Mariola Place, N.E.  
Albuquerque, NM 87111  
Fosterassociates2005@yahoo.com

Approach Operating LLC

Scott Hall, Esq.  
Montgomery & Andrews  
325 Paseo de Peralta  
Santa Fe, NM 87501  
(505) 982-3873  
505 982-4289 (fax)  
shall@montand.com

STATEMENT OF THE CASE

The Oil Conservation Commission (OCC) re-opened the record in Case No. 14255 for the limited purpose of the parties submitting a proposed property description by section, township

and range for that portion of the Galisteo Basin located within Santa Fe County. The Oil Conservation Division (OCD) was required to file its proposed description by March 25, 2009 and provide the proposed description to all parties of record; all other parties were required to file any proposed modifications to the OCD's real property description by April 1, 2009. The OCC has scheduled a hearing on April 15, 2009 to hear testimony from the parties and take public comment on the proposed real property descriptions.

The OCD filed its response and served the parties of record with copies of the response and all attachments by first class mail on March 19, 2009. The response included the OCD's proposed real property description, and maps used in preparing the real property description.

The OCD has not received any proposed modifications to its proposal.

### APPLICANT'S PROPOSED TESTIMONY

#### **WITNESS:**

1. Theresa Duran-Saenz, OCD Legal Assistant and/or Florene Davidson.

Ms. Duran-Saenz has been a legal assistant with the OCD for two years. Ms. Davidson is the clerk of the Oil Conservation Commission. The OCD will call one or both to testify on the service of notice and the publication of notice for the OCC regarding this hearing. Exhibits relevant to the notice issue will be introduced through their testimony.

2. Daniel Sanchez, OCD Compliance and Enforcement Manager.

Mr. Sanchez has been the OCD's compliance and enforcement manager since November 22, 2004. He will explain and introduce the documents related to the OCD's proposed property description. The exhibits Mr. Sanchez will introduce are attached as OCD Exs. 45 through 47.

The OCD estimates that Mr. Sanchez' direct examination will take 15 minutes.

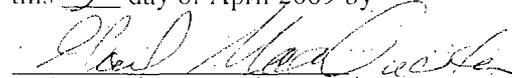
### PROCEDURAL MATTERS

None at this time.

### EXHIBITS

The exhibits to be introduced by Mr. Sanchez are submitted with this pleading. Exhibits related to the notice issues will be submitted at the hearing, as they are not technical exhibits.

Respectfully submitted  
this 3<sup>rd</sup> day of April 2009 by



Gail MacQuesten  
Oil Conservation Division  
Energy, Minerals and Natural

Resources Department  
1220 S. St. Francis Drive  
Santa Fe, NM 87505  
(505) 476-3451

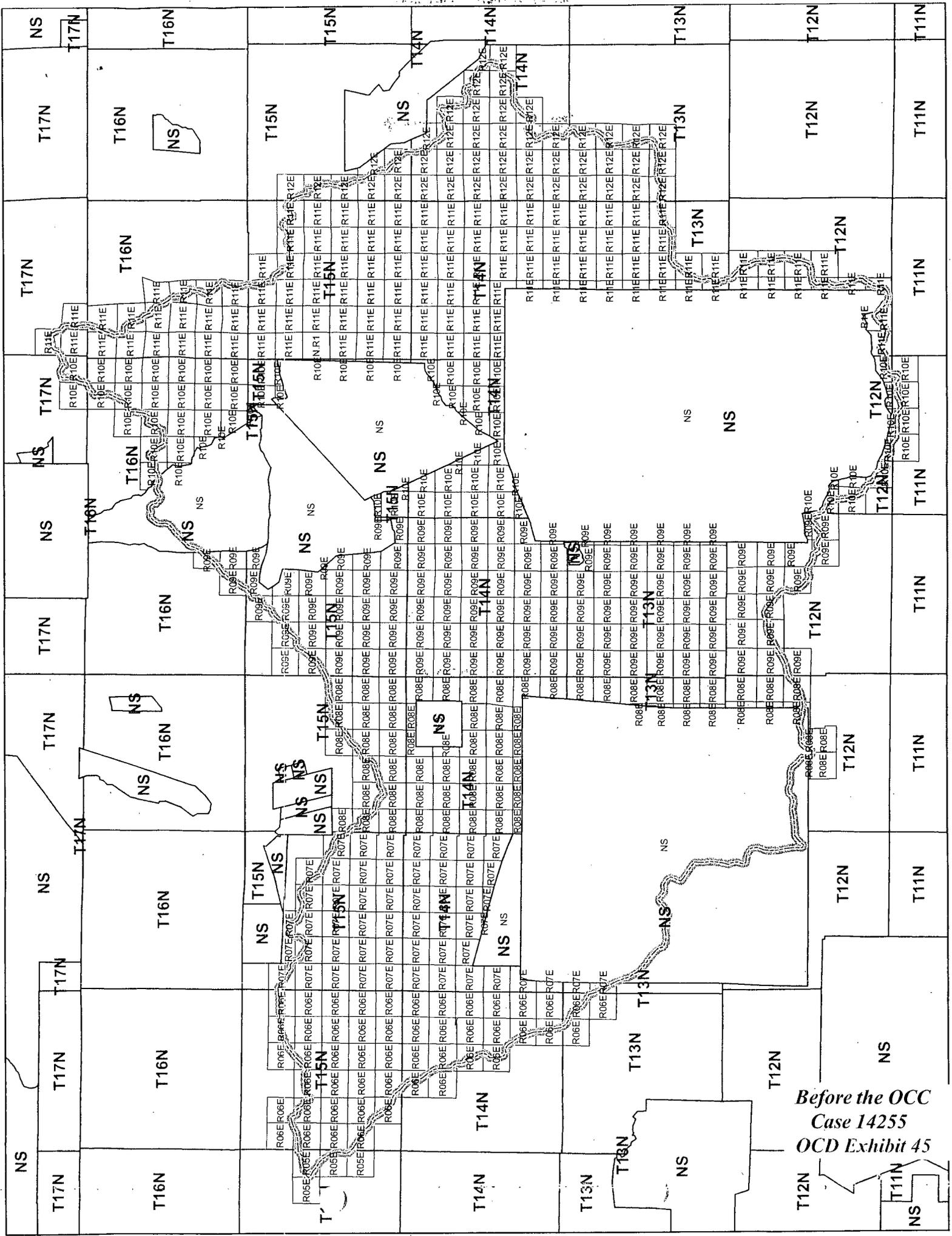
Attorney for the Oil Conservation Division

**Certificate of Service**

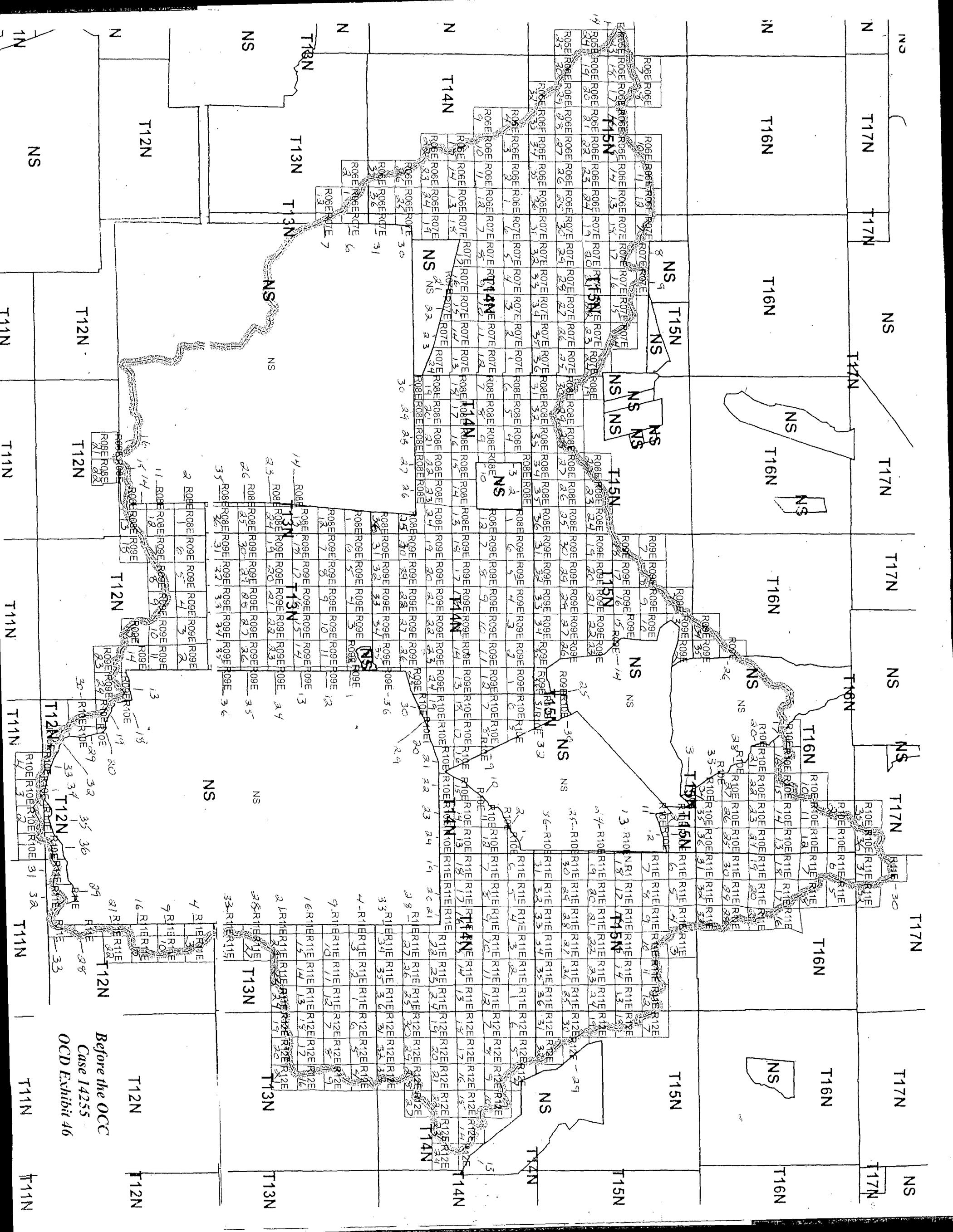
I certify that I served the parties with a copy of this pleading and copies of the OCD's exhibits To Ms. Foster and Mr. Hall by electronic mail at the addresses identified above this 3<sup>rd</sup> day of April 2009.



Gail MacQuesten



Before the OCC  
 Case 14255  
 OCD Exhibit 45



Before the OCC  
 Case 14255  
 OCD Exhibit 46

- A. The Galisteo Basin includes
- (1) the surveyed portions of the following sections in Sandoval county:
    - (a) township 15 north, range 5 east, sections 13, 14, 24 and 25;
    - (b) township 15 north, range 6 east, sections 7, 8, 10-30 and 32-36;
    - (c) township 14 north, range 6 east, sections 1-4, 9-15, 22-26, 35 and 36;
    - (d) township 13 north, range 6 east, sections 1, 2 and 12;
  - (2) the surveyed portions of the following sections in San Miguel county:
    - (a) township 15 north, range 12 east, sections 7, 18, 19 and 29-32;
    - (b) township 14 north, range 12 east, sections 4-10, 13-24 and 27-33;
    - (c) township 13 north, range 12 east, sections 4-9 and 16-21;
  - (3) the surveyed portions of the following sections in Santa Fe county:
    - (a) township 17 north, range 10 east, sections 35 and 36;
    - (b) township 17 north, range 11 east, sections 30-32;
    - (c) township 16 north, range 9 east, sections 26, 34 and 35;
    - (d) township 16 north, range 10 east, sections 1, 2, 10-17, 20-28 and 33-36;
    - (e) township 16 north, range 11 east, sections 5-8, 16-21 and 28-33;
    - (f) township 15 north, range 7 east, sections 7-9, and 14-36;
    - (g) township 15 north, range 8 east, sections 19, and 22-36;
    - (h) township 15 north, range 9 east, sections 2-4, 7-10, 14-23, and 25-36;
    - (i) township 15 north, range 10 east, sections 1-3, 11-13, 24, 25, 30-32 and 36;
    - (j) township 15 north, range 11 east, sections 3-36;
    - (k) township 14 north, range 7 east, sections 1-19, 21-24, 30 and 31;
    - (l) township 14 north, range 8 east, sections 1-10, 12-30 and 36;
    - (m) township 14 north, range 9 east, all sections;
    - (n) township 14 north, range 10 east, sections 1, 2, 5-24, 29 and 30;
    - (o) township 14 north, range 11 east, sections 1-28 and 33-36;
    - (p) township 13 north, range 7 east, sections 6 and 7;
    - (q) township 13 north, range 8 east, sections 1, 12-14, 23-26, 35 and 36;
    - (r) township 13 north, range 9 east, all sections;
    - (s) township 13 north, range 11 east, sections 1-4, 9-16, 21-24, 27, 28, 33 and 34;
    - (t) township 12 north, range 8 east, sections 1, 2, 11-16, 21 and 22;
    - (u) township 12 north, range 9 east, sections 2-11, 13-15, 18, 23 and 24;
    - (v) township 12 north, range 10 east, sections 18-20, 29, 30 and 32-36;
    - (w) township 12 north, range 11 east, sections 3, 4, 9, 10, 15, 16, 21, 22, 28, 29 and 31-33;
    - (x) township 11 north, range 10 east, sections 1-4;
  - (4) the un-surveyed area in Santa Fe county bounded by the surveyed portions of sections 1-3, 10 and 12-15 of township 14 north, range 8 east;
  - (5) the un-surveyed area in Santa Fe county bounded by
    - (a) the surveyed portions of
      - (i) township 16 north, range 10 east, sections 17, 20, 21, 28, 33 and 34;
      - (ii) township 15 north, range 10 east, sections 3, 2, 11, 12, 13, 24, 25 and 36;
      - (iii) township 14 north, range 10 east, sections 1, 2, 11, 10, 15, 22, 21, 16, 9, 8 and 5;
      - (iv) township 15 north, range 10 east, sections 32, 31 and 30;
      - (v) township 15 north, range 9 east, sections 25, 36, 35, 26, 23, 14, 15, 10, 3 and 2;
      - (vi) township 16 north, range 9 east, sections 35 and 26;
    - (b) and then from the north eastern corner of the surveyed portion of township 16 north, range 9 east, section 26 to the northwestern corner of the surveyed portion of township 16 north, range 10 east, section 17;
  - (6) the un-surveyed area in Santa Fe county bounded by the surveyed portions of
    - (a) township 14 north, range 11 east, sections 19-21, 28 and 33;
    - (b) township 13 north, range 11 east, sections 4, 9, 16, 21, 28 and 33;
    - (c) township 12 north, range 11 east, sections 4, 9, 16, 21, 28, 33, 32, 29 and 31;
    - (d) township 12 north, range 10 east, sections 36, 35, 34, 33, 32, 29, 20, 19 and 18;
    - (e) township 12 north, range 9 east, sections 24, 13, 14, 11 and 2;
    - (f) township 13 north, range 9 east, sections 36, 25, 24, 13, 12, 1 and 2;

- (g) township 14 north, range 9 east, sections 35, 36, 25, 30, 29, 20-24; and
- (7) the un-surveyed area in Santa Fe county bounded by
  - (a) the surveyed portions of
    - (i) township 13 north, range 7 east, sections 7 and 6;
    - (ii) township 14 north, range 7 east, sections 31, 30, 19-16, 21, 22, 23 and 24;
    - (iii) township 14 north, range 8 east, sections 30, 29, 28, 27, 26, 25 and 36;
    - (iv) township 13 north, range 8 east, sections 1, 12, 13, 14, 23, 26, and 35;
    - (v) township 12 north, range 8 east, sections 2, 11, 14, 15 and 16;
    - (vi) township 12 north, range 8 east, sections 21 and 22;
  - (b) and then from the northwest corner of the surveyed portion of township 12 north, range 8 east, section 16 to the northeast corner of the survey portion of township 12 north, range 7 east, and then to the southeast corner of the surveyed portion of township 13 north, range 7 east, section 7.