

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

**APPLICATION OF THE JOINT INDUSTRY
TECHNICAL COMMITTEE TO AMEND
COMMISSION ORDER R-111-P, LEA AND
EDDY COUNTIES, NEW MEXICO.**

CASE NO. 23655

**OIL CONSERVATION DIVISION'S
PRE-HEARING STATEMENT**

The New Mexico Oil Conservation Division (“OCD”) submits this Pre-Hearing Statement pursuant to 19.15.4.13(B) NMAC.

I. IDENTIFICATION OF PARTY AND COUNSEL

OCD has intervened in this matter and is represented by undersigned counsel.

II. STATEMENT OF THE CASE

The Joint Industry Technical Committee (“JITC”) filed an application with the New Mexico Oil Conservation Commission (“Commission”) pursuant to NMSA 1978, Section 70-2-6, NMSA 1978 70-2-12(B)(17), and the continuing jurisdiction of the Commission under paragraph (2), page 13, of Commission Order R-111-P, to amend the Order to add anti-collision measures, modify the well casing and cementing requirements, provide additional notification requirements to potash operators, provide for subsidence monitoring, and to adopt other proposed changes. OCD participated in this process, including providing comments and proposed edits to the application and exhibits submitted by JITC. OCD intends to participate in the hearing in support of the application as having incorporated and addressed OCD’s comments and concerns.

OCD does not intend present direct testimony, but will make OCD representatives available to address any questions or concerns from the Commission.

III. PROPOSED EVIDENCE

WITNESS:

ESTIMATED TIME:

1. Brandon Powell, Deputy Director

As Needed

Mr. Powell is the Deputy Director that manages the OCD's Engineering Bureau which contains the UIC Group. He has served with OCD in various positions for more than 15 years, including district supervisor, staff manager, inspection/enforcement supervisor, and environmental specialist. Prior to joining OCD, Mr. Powell was a facility manager and environmental technician for an environmental services company. His qualifications are described in Exhibit 1.

2. Phillip Goetze, UIC Program Manager

As Needed

Mr. Goetze is presented as an expert in petroleum geology and underground injection. Mr. Goetze manages the review of Class II UIC applications for compliance with OCD's rules and to prevent waste and protect correlative rights, public health, and environment. Mr. Goetze has more than forty (40) years of experience in the fields of geology, hydrology, and environmental protection. His professional qualifications are summarized in Exhibit 2.

EXHIBITS:

Exhibit 1 Curriculum Vitae of Brandon Powell

Exhibit 2 Curriculum Vitae of Phillip Goetze

IV. PROCEDURAL MATTERS

The OCD has not identified any procedural matters to be resolved prior to the hearing.

Respectfully submitted,

**Christopher L.
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CERTIFICATE OF SERVICE

I certify that on March 7, 2024, this pleading was served by electronic mail on:

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OCD EXHIBIT 1

OCD EXHIBIT 1

CURRICULUM VITAE

BRANDON POWELL

SUMMARY

Mr. Powell is the Oil Conservation Division's (OCD) Deputy Director overseeing the Engineering and Environmental bureaus. He has served with OCD for more than seventeen years. He began his career in 2006 as an environmental specialist overseeing environmental releases and remediation. In 2011, he was promoted to inspection and enforcement supervisor for OCD's district office in Aztec. In that position, he supervised down-hole engineering and compliance with OCD rules. In 2019, he was promoted to District Supervisor, which involved oversight of day-to-day operations for the San Juan Basin. In 2020 he was promoted to the Engineering Bureau Chief and then in 2023 was promoted to Deputy Director. Mr. Powell has extensive experience applying OCD rules to all aspects of oil and gas development and has testified as an expert in OCC rulemakings, including the pit rule (19.15.17 NMAC), the produced water rule (19.15.34 NMAC), the release rule (19.15.29 NMAC) and the natural gas waste rules (19.15.27 and 19.15.28 NMAC).

EMPLOYMENT

May 2023- Current
New Mexico Oil Conservation Division
Deputy Director

- As Deputy Director, I provide oversight and management for the OCD's Engineering Bureau and Environmental Bureau. In my position I have 2 direct reports which are the Environmental Bureau Chief and Engineering Bureau Chief. I also have ~48 additional indirect reports in those groups.
 - The Engineering bureau currently has 34 employees and is in the process of filling additional positions. The Engineering bureau is made up of 4 major groups Inspection Compliance Program, Underground Injection Control (UIC) Program, Administrative Permitting Program, Engineering Projects and Hearings group.
 - The Environmental bureau is currently has 16 employees and is currently in the process of filling additional positions. The environmental program contains 3 major groups, Permitting, Environmental Special Projects and Incident/Inspections.

November 2020 – May 2023
New Mexico Oil Conservation Division
Chief, Engineering Bureau

- Oversight and Management of the OCD's Engineering Bureau which includes
 - Administrative Compliance Program
 - Underground Injection Control (UIC) Program
 - Administrative Permitting Program.
- Ensures that OCD goals and objectives are met by assigning and directly supervising the work of the Administrative Compliance, UIC, and Administrative Permitting Programs.
- Conducts training and performance evaluations of personnel and acts upon leave requests. This position designs and develops programs to address new technical issues as they arise and as technical advances in the oil and gas industry are implemented.

May 2019- November 2020
New Mexico Oil Conservation Division
District Supervisor

- Managed operations for OCD's Northern District, ensuring the proper management of more than 24,000 oil and gas wells and associated facilities to protect public health and the environment.
- Managed relations with four tribes and allottees, federal agencies including Bureau of Land Management, Bureau of Reclamation, and Forest Service, and private landowners.
- Supervised seven staff members, including geologist, compliance officers, and environmental specialists.
- Managed office assignments, fleet repair and maintenance, and the District's Reclamation Fund (RFA) plugging program.
- Coordinated with the Engineering and Environmental Bureaus to ensure consistency in permitting and enforcement across the state.
- Supervised the District's UIC activities and coordinated with the UIC Program Manager to ensure consistency in testing and compliance.
- Conducted training for OCD and District staff.
- Assisted in the tasks described below when necessary for District operations, particularly in the absence of staff.
- Served as the District's representative on the New Mexico Oil and Gas Northwest Public Lands Committee.
- Assisted in development of standard operating procedures for wide range of OCD's business practices.
- Participated in strategic planning for OCD, including crisis management, electronic transition, enforcement, and rulemaking.

April 2011-May 2019

New Mexico Oil Conservation Division

Staff Manager & Inspection and Enforcement Supervisor

- Supervised four district compliance officers and their activities regarding oil, gas, injection, brine and non-hazardous waste wells to protect public health, fresh water and other natural resources, including the review and approval of applications the conduct of investigations, and the recommendation of engineering solutions.
- Supervised environmental specialists, geologists, and data managers when the District Supervisor was not available and after he retired.
- Substituted for the geologist and environmental specialists during their absence and position vacancy for two years, including reviewing pools, logs and formation tops.
- Reviewed drilling, production, and closure of wells and other oil and gas facilities to ensure compliance with OCD rules, including:
 - Scheduled and conducted field inspections;
 - Initiated enforcement actions;
 - Reviewed applications for well work-overs, completion and plugging; and
 - Observed field activities.
- Provided technical assistance to OCD staff and operators.
- Coordinated office activities, including the review and approval of personnel documents and the conduct of other supervisory duties on behalf of the District Supervisor.
- Assisted in the development of rules.
- Served as the District's representative for the New Mexico Oil and Gas Northwest Public Lands Committee.

April 2006 thru April 2011 New Mexico Oil Conservation Division

Environmental Specialist, Deputy Oil and Gas Inspector, and Loss Control Officer

- I Supervised industries operations to ensured proper remediation of releases.
- I would respond to urgent releases which endangered the environment or the public.
- Reviewed permits for work requested to be performed, and subsequent reports for work already performed.
- I would draft environmental compliance and enforcement documents
- Testify in environmental compliance and enforcement cases.
- Work with other governmental agencies to find solutions to problems that arise
- Prepare and give environmental training to industry and other agencies.
- Work with Companies to ensure their continual compliance.
- Track District internal injuries and incidents and prepare yearly OSHA forms.

- Respond to citizen complaints.

June 2004-April 2006 Envirotech, Inc.

Sr. Environmental Technician, Soil Remediation Facility Manager, and Mold Inspector.

- Prepared reports for various agencies for the on-site documentation for various types of releases.
- Managed the soil remediation facility and subsequent personnel which averaged 1-3 people. I categorized waste to determine if wastes were acceptable pursuant to the facility permits.
- Performed hazardous waste characterization and disposal of oil field and non-oilfield waste.
- Project manager and field supervisor which included supervising multiple people.
- Prepared job quotes and project summaries.

TESTIMONY IN RULEMAKING PROCEEDINGS

19.15.17 NMAC – *Pits, Close-Loop Systems, Below-Grade Tanks and Sumps, 2008 and 2013*

19.15.34 NMAC – *Produced Water, Drilling Fluids, and Liquid Oil Field Waste, 2015*

19.15.29 NMAC – *Releases, 2018*

19.15.27 NMAC – *Venting and Flaring of Natural Gas, 2021*

19.15.28 NMAC – *Natural Gas Gathering Systems, 2021*

CERTIFICATIONS AND TRAINING

Hazardous Waste Management Certification, Lion Technologies, September 2004

Hazmat Site Supervisor Training, High Desert Safety, 2005

Confined Space Certification, High Desert Safety, 2005

Hot Work Certification, High Desert Safety, 2005

OSHA Forty Hour Certification, 2005

Surveillance Detection Course for Commercial Operators, Department of Homeland Security, 2008

OCD EXHIBIT 2

OCD EXHIBIT 2

PHILLIP R. GOETZE

UIC Group, Oil Conservation Division, EMNRD
Albuquerque, NM

Over 40 years of experience developing and implementing a variety of projects with environmental, hydrologic, or regulatory applications.

PROFESSIONAL EXPERIENCES:

February 2013 to Present: UIC Manager / Petroleum Geologist / Geohydrologist
Engineering Bureau, Oil Conservation Division, Energy, Minerals and Natural Resources Department

1220 South St. Francis Drive, Santa Fe, NM 87505

Administrative permitting for development and management of oil and gas resources under the state Oil and Gas Act. These projects include technical review of administrative applications and preparation of orders for non-standard locations, pool delineations, and non-standard proration units. Lead technical reviewer of applications for all Class II wells (including saltwater disposal wells and enhanced oil recovery (EOR) projects) under the New Mexico primacy agreement with the United States Environmental Protection Agency (USEPA) for its Underground Injection Control (UIC) Program under the Safe Drinking Water Act. Hearing examiner for Division hearings for cases regarding both protested and unprotested applications for approval of non-standard oil and gas circumstances that cannot be administratively permitted. Additional assignments related to the position:

Provide technical assistance to District personnel and General Counsel staff regarding compliance issues for disposal and EOR wells.

Development of protocols and recommended guidance for UIC related subjects such as induced seismicity, exempted aquifers and Class II disposal impacts on producing intervals.

Prepare quarterly reports for review by the UIC coordinator for submission to the USEPA.

Recommend changes in policy reflecting application of new technology or processes (e.g. injection rules per 19.15.26 NMAC).

Provided expert testimony before the Oil Conservation Commission for applications and in support of rulemaking (e.g. acid gas injection well applications, casing requirements in the Roswell Artesian Basin, and reporting requirements for fracturing fluids).

Provided expert testimony before the New Mexico Water Quality Control Commission (NMWQCC) in support of rulemaking (e.g. expanded authority for UIC Class I hazardous disposal wells).

Appointed as hearing examiner by the Division Director under 19.15.4.18 NMAC.

March 2007 to February 2013: Hydrogeologist / Environmental Scientist / Project Manager

Gloreita Geoscience, Incorporated

1723 Second Street, Santa Fe, NM 87505

Multiple projects for environmental, hydrologic, and natural resource assessments including:

Los Alamos National Laboratory (LANL): contract team leader for ground-water sampling (including springs, shallow wells, monitoring wells with Baski and Westbay systems) in support of the Ground Water Stewardship Program; four years of sediment mapping and soil sampling for contaminants as part of the LANL assessment of geomorphic influences following the Cerro Grande and Las Conchas fires; waste characterization sampling following LANL and New Mexico Environment Department (NMED) protocols.

Oversight of drilling, logging, and construction of deep exploration wells as part of Rio Rancho's City Water Program and the NM Office of the State Engineer (Ft. Sumner project).

Hydrologic modeling and ground-water abatement plan development for multiple dairy facilities in southern and eastern New Mexico.

Phillip R. Goetze

Numerous Phase I Environmental Site Assessments (ESAs) for commercial, industrial, and undeveloped properties in northern New Mexico, Nevada, and Texas.

Establish protocols, sampling requirements, and compile data for annual reporting for clients with Closure and Post Closure plans for landfills.

Oversight of petroleum storage tank removals, closures, and Minimum Site Investigations following closure.

Preparation and annual reporting of NPDES permits for commercial clients in New Mexico.

Preparation and implementation of Stage I Abatement Plans for dairies in violation of the NMWQCC ground-water standards.

Quality assurance for ground-water modeling and various sampling programs including mandatory monitoring and special client-specific events.

April 2006 to January 2007: Hydrogeologist / Project Manager

Tetra Tech EM Incorporated

6121 Indian School Road NE, Suite 205, Albuquerque, NM 87110

This position included responsibility for redevelopment of previous client relationships while maintaining obligations to state, Federal and private projects. Most significant projects include the following:

Supervising geologist for drilling, construction, and development of deep monitoring wells at Kirtland Air Force Base for Long-Term Monitoring Program.

Preparation of sampling and analysis plans for Texas Department of Criminal Justice landfills.

September 1999 to March 2006: Hydrogeologist / Project Manager

ASCG Incorporated of New Mexico (now the WH Pacific Corporation)

6501 Americas Parkway NE, Suite 400, Albuquerque, NM 87110

Responsible for a variety of environmental services for site assessment and remediation of contaminated sites associated with Federal, state, and private clients in New Mexico, Arizona, and the Navajo Nation. Significant projects entail the following:

Field Technical Leader (as subcontractor) for drilling, construction, and development of deep and shallow monitoring wells at LANL for 2005.

Developed and supervised assessment drilling programs for Risk-Based Corrective Action assessments of petroleum-contaminated NMED and Bureau of Indian Affairs (BIA) sites in New Mexico and Arizona.

Responsible for project development and management of soil and ground-water remediation of hydrocarbon and solvent-contaminated sites including quarterly water sampling events and air monitoring for compliance.

Supervised and participated in resolution of correction actions identified under USEPA CA/CO 1998-02 at approximately 35 Bureau of Indian Affairs federal facilities including review of asbestos programs, PCB investigations and remediations, Phase I ESAs for property transfer, AST/UST removals, hazardous waste disposal activities, environmental audits, and validation sampling of previous remedial activities.

Completed development and oversight of voluntary corrective actions of hazardous wastes cited in notice of violations at the Southwestern Polytechnic Indian Institute.

Provided sampling program for the AMAFCA Storm Water Study for assistance in compliance of the MS4 for the City of Albuquerque.

Completed assessment for hydrocarbon contamination and prepared plans for remedial actions for five locations at BIA facilities during the last quarter of 2004.

Phillip R. Goetze

July 1996 to August 1999: Geologist / Environmental Scientist; General Contractor
Phillip R. Goetze, Consulting Geologist, Edgewood, New Mexico

Subcontractor for environmental firms providing on-site technical support and report preparation. Primary contractors included the following:

Billings and Associates, Inc., Albuquerque, New Mexico

Responsible for acquisition of both soil and water data for assessment and for installation of remediation systems for hydrocarbon-contaminated sites.

Roy F. Weston Inc., Albuquerque, New Mexico

Temporary position with responsibilities for on-site supervisor for data acquisition (three drilling rigs), for health and safety monitoring, and for quality assurance of installation of multiple ground-water wells at a Department of Energy tailings remediation (UMTRA) site near Tuba City, Arizona.

January 1993 to July 1996: Project Geologist / Project Manager
Billings and Associates, Inc.

6808 Academy Pkwy, E-NE, Suite A-4, Albuquerque, NM 87109

Responsible for acquisition of air, soil, and water data for site assessments related to leaking underground storage tanks throughout New Mexico. Participated and supervised installation, operation, and maintenance of biosparging/SVE remediation systems at five New Mexico locations. Site assessment activities included preparation of health and safety plans, drilling supervision, water and soil sampling preparation, chain-of-custody maintenance, analytical data review and compilation, and report preparation.

June 1985 to December 1992: Independent Geologist and Environmental Scientist
Phillip R. Goetze, Consulting Geologist, Albuquerque, New Mexico

Subcontracting services for data acquisition in geophysics and mineral exploration. Primary contractors included:

Charles B. Reynolds and Associates, Albuquerque, New Mexico

Performed functions of seismologist and crew chief for consulting group specializing in shallow seismic geophysics for environmental and engineering applications. Projects included USGS hydrologic assessment of Mesilla Bolson; plume and paleosurface mapping at Johnson Space Center facility north of Las Cruces; plume and paleosurface mapping in Mortandad Canyon and TA-22 site, LANL; plume and paleosurface mapping at Western Pipeline facility at Thoreau, NM; plume and paleosurface mapping at UNC Partners mill and tailings site north of Milan; engineering assessment of collapsible soils at Tanoan residential development and along the east edge of Albuquerque.

Glorieta Geoscience, Inc., Santa Fe, New Mexico

Initiated and conducted sampling program for assessing economic potential of low-grade gold occurrence in southwest New Mexico.

November 1983 to September 1984: Fluid Minerals Geologist

Bureau of Land Management, Department of Interior, Cheyenne, Wyoming

Temporary detail to Casper office to alleviate backlog of assessments of federal oil and gas leases in Wyoming and Nebraska. Assessments required geologic evaluation of oil and gas potential for lands in Powder River, Wind River, Big Horn and Denver-Julesburg Basins. Determination of "known geologic structures (KGSs)" per Secretarial Order for categorizing federal oil and gas minerals into competitive and non-competitive status. Deposited as expert witness and provide expert summaries and affidavits for cases before the Interior Board of Land Appeals (example: Case No. IBLA 84-798 for protest of KGS delineation).

Phillip R. Goetze

June 1982 to September 1983: Field Geologist
United States Bureau of Mines, Department of Interior, Lakewood, Colorado

Assisted primary authors with field inventory and evaluation of mineral occurrences in 15 wilderness areas in Colorado (Central Mineralized Region), southern Wyoming, and eastern Utah. Field work included field mapping and sampling of abandoned mines and mineral occurrences within these areas and adjacent areas with potential impacts on wilderness designation.

July 1979 to January 1982: Geologist
United States Geological Survey, Department of Interior, Casper, Wyoming and Lakewood, Colorado

First two years exclusively mapping, drilling, and classifying coal resources in south central Wyoming. Detailed for two years to special team for preparation of impact statement: one of four principle authors for the Cache Creek-Bear Thrust Environmental Impact Statement which documented effects of two proposed oil and gas wells in designated wilderness area near Jackson, Wyoming. Deposited as expert witness in federal court. Final year primarily responsible for assessments of federal oil and gas leases for lands in Wyoming and Nebraska.

July 1977 to July 1979: District Geologist
Bureau of Land Management, Department of Interior, Socorro District Office, Socorro, New Mexico

Responsible for District minerals program for federal lands in west central portion of state. Assisted in environmental reports for land exchanges, classification of saleable mineral sites, mining claim validity determinations, inspection of surface reclamation for mineral extractions, inspection of oil exploration and geothermal gradient wells, and assessments for location of water wells in support of grazing projects.

EDUCATION:

New Mexico Institute of Mining and Technology, Socorro, New Mexico
Bachelor of Science in Geology, 1977

Additional Courses: EPA course requirements for Asbestos Inspector (10 years as active inspector); completion of state program for Licensed Contractor (NM; GS-29); EPA course requirements for Lead-Based Paint Risk Assessor (EPA Regions VI and IX; two years as active inspector); GSI Course *Application of Ground Penetrating Radar*; NGWA Course *Monitoring Natural Attenuation of Contaminants*.

PROFESSIONAL MEMBERSHIPS, LICENSES, OR CERTIFICATIONS:

American Institute of Professional Geologist, Certified Professional Geologist No. 6,657
Alliance of Hazardous Materials Professionals, CHMM No. 11,401
ASTM International, Member No. 1,314,118 (Voting Member); Committees D18 (Soil and Rock) and E50 (Environmental Assessment, Risk Management and Corrective Action)
OSHA 40HR and 8HR Refresher Hazardous Waste Operations and Emergency Response (Current)
OSHA Hazardous Waste Operations and Emergency Response Manager/Supervisor (Current)
State of Alaska, Licensed Professional Geologist; No. 514
State of Arizona, Registered Professional Geologist; No. 40,812
State of Texas, Licensed Professional Geologist; No. 2,278