

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

**CASE NO. 16193 - APPLICATION OF  
HILCORP ENERGY COMPANY TO AMEND  
THE WELL DENSITY REQUIREMENTS AND  
ADMINISTRATIVE EXCEPTIONS OF THE  
SPECIAL RULES FOR THE BLANCO-  
MESAVERDE GAS POOL TO PERMIT  
ADMINISTRATIVE APPROVAL FOR WELL  
DENSITY EXCEPTIONS, RIO ARRIBA AND  
SAN JUAN COUNTIES, NEW MEXICO.**

**MOTION FOR CONTINUANCE**

Don and Jane Schreiber ("Schreiber") move that the New Mexico Oil Conservation Division ("NMOCD") and/or Chair enter an order continuing the hearing in the matter of Case 16193 from the May 31, 2018 NMOCD hearing.

Case 16193: Hilcorp Energy Company's ("Hilcorp") application in Case 16193 is seeking a) an exception to the well density, or spacing, requirements for both recompleted and new wells in the Blanco-Mesaverde Gas Pool in Rio Arriba and San Juan Counties; and b) to change the process through which decisions about deviations from the standard well density requirements for this Gas Pool are made. The decision-making process would change from a publicly conducted NMOCD hearing, to an administrative process in which NMOCD staff would decide on an application to deviate from standard well density without input from the public.

As grounds for this motion for continuance, Schreiber states:

1. Given the environmental ramifications of increasing well density in the Blanco-Mesaverde Gas Pool in Rio Arriba and San Juan Counties, and the democratic implications of abrogating the public's ability to understand and potentially comment on further spacing issues in this Gas Pool, Schreiber strongly believes that a continuance is necessary so that members of the public and impacted citizens – including Schreiber - may be better informed about Case 16193 and provide input and technical evidence accordingly for consideration in this matter. If approved, Hilcorp's application would represent a systemic change to how oil and gas development is conducted and managed in San Juan and Rio Arriba counties. Full consideration must be given when such changes are presented for Hearing. Between May 18, 2018, when Schreiber became aware of Case 16193 through Legal Notice 1247013 published in the *Farmington Daily Times*, and May 31<sup>st</sup>, when Case 16193 is scheduled to be heard,

Schreiber and other interested and affected parties have not been permitted sufficient time to respond to such a direct challenge to the public's right to participate in decisions relative to the "protection of public health or the environment" (New Mexico Administrative Code 19.15.4.11).

2. Case 16193, if accepted, will have an immediate effect on Schreiber and will permanently affect Schreiber in the future. Schreiber cannot get to their home ("Property") from any direction without passing through Hilcorp well sites; Schreiber cannot look in any direction from their Property and not see Hilcorp wells. Odors from Hilcorp wells are present on Schreiber's Property and their Bureau of Land Management ("BLM") grazing lease known as Devil's Spring Ranch Allotment No. 05098 ("Allotment").

Schreibers are individuals living daily with the consequences of well spacing decisions made by NMOCD with approximately 76 Blanco-MesaVerde wells on their Property, or on or in near proximity, to their Allotment. Hilcorp is currently conducting an active Blanco-MesaVerde well re-completion program adjacent to Schreiber's Property and on Schreiber's Allotment, and Hilcorp has filed for, and received, Exceptions for Blanco-MesaVerde wells adjacent to Schreiber Property and on Schreiber's Allotment. Schreiber has had, and continues to have, extensive discussions with NMOCD District Supervisor Charles Perrin, and his staff, regarding Hilcorp's Blanco-MesaVerde well re-completion program on and adjacent to Schreiber Property and Allotment.

Hilcorp employees are on Schreiber Property and Allotment daily.

It is critical that Schreiber's rights of public notice and Hearing are preserved and not replaced by an Administrative decision as proposed in Case 16193 and New Mexico Administrative Code 19.15.4.11.C requires that NMOCD provide Schreiber protection from public health or environmental harms.

3. NMOCD's Legal Notice 1247013 is insufficient in at least three ways: a) it does not transparently convey the parties who have an interest in Case 16193; b) it does not alert the public to the fact that the application proposes to remove citizens' rights to participate in well spacing decisions; and c) it does not inform the public that Hilcorp's application will apply to well spacing for new wells, and not just the re-completion of existing wells.

4. Schreiber is concerned that Hilcorp's application in Case 16193, if approved, may constitute a violation of the New Mexico State Rules Act, as well as NMOCD's own administrative procedures. Schreiber's concern stems from Hilcorp's application for administrative exceptions to change decision-making about well density in the Blanco-Mesaverde Gas Pool from a public hearing process at NMOCD, to an internal administrative process. While Hilcorp's application for an exception to well spacing requirements within the Gas Pool is a permitting issue, Schreiber believes that the request for an administrative exception is in fact a rule-making issue. Such a change to a rule requires NMOCD to publish a separate notice in the New Mexico



Register and hold a hearing on the rule change itself. Schreiber therefore believes that a continuance in Case 16193 is required so that we, and other interested parties, may have more time to consult with legal representation and gather technical evidence to present at a later date.

5. Hilcorp has good and sufficient means of seeking specific exemptions to well spacing, as may be seen by the eleven applications included in NMOCD's Legal Notice 127013 and in NMOCD's published Agenda for the June 14, 2018 hearing. Hilcorp therefore suffers no harm from a continuance, whereas the public is at risk of losing its right to participate in a process that is critical to the protection of both public health and the environment.

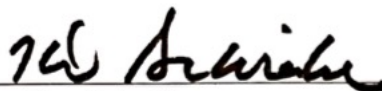
WHEREFORE, Schreiber requests that Case 16193 be continued to a future date.

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505-320-0032

### CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail this 25th day of May, 2018.

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Don Schreiber