

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

**Ms. Florine Davidson
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New Mexico Oil Conservation Division
1220 South St. Francis Drive
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**APPLICATION OF HILCORP ENERGY
COMPANY TO AMEND THE WELL
DENSITY AND LOCATION
REQUIREMENTS AND ADMINISTRATIVE
EXCEPTIONS OF THE SPECIAL RULES
FOR THE BLANCO-MESAVERDE GAS
POOL, RIO ARRIBA AND SAN JUAN
COUNTIES, NEW MEXICO**

Case No: 16403

NOTICE OF INTERVENTION

Intervenor's name:

San Juan Citizens Alliance

Intervenor's address:

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E-Mail: Info@SanJuanCitizens.org
Phone: 505-325-6724

Address of intervenor's attorney:

University of New Mexico School of Law
Natural Resources and Environmental Law Clinic
Jon Anderson, Clinical Law Student,
working under the supervision of
Prof. Gabriel Pacyniak, Supervising Attorney,
in accordance with NMRA 1-094.

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NATURE OF INTERVENOR'S INTEREST IN THE APPLICATION:

San Juan Citizens Alliance (SJCA), through its undersigned counsel, respectfully moves pursuant to New Mexico Administrative Code (NMAC) 19.15.4.11, Adjudicatory Proceeding Intervention, to intervene in this action.

Intervention is warranted, pursuant to 19.15.4.11(A) NMAC, due to SJCA's interest in the protection of public health and the environment in the San Juan Basin. SJCA's mission is to advocate for clean air, pure water, and healthy lands for communities in the San Juan Basin. SJCA has more than 1,000 members, including landowners in Rio Arriba and San Juan Counties. Rio Arriba and San Juan Counties are both located in San Juan Basin, and therefore SJCA should be granted intervention in Hilcorp's application to amend the Special Rules governing the Blanco-Mesaverde Gas Pool. SJCA's interest in public health and the environment in Rio Arriba and San Juan Counties confers standing because the Oil Conservation Division is authorized by the Oil and Gas Act to make rules and orders to "regulate the disposition of nondomestic wastes resulting from ... production ... of crude oil or natural gas to *protect the public health and the environment,*" N.M.S.A. § 70-2-12 B. 22 (emphasis added), and to similarly regulate disposition of waste from the transportation, treatment, and refinement of oil and gas "to protect public health and the environment." N.M.S.A. § 70-2-12 B. 23. Because this application will likely result in substantial additional nondomestic waste from a potential doubling of wells in Blanco-Mesaverde Gas Pool, SJCA should be granted standing due to its public health and environmental interest in the affected region.

SJCA also has an interest in due process under the New Mexico Constitution and the New Mexico Rules Act. As an organization that represents New Mexico citizens, SJCA has an interest in ensuring the due process rights guaranteed by Article II, Section 18 of the Constitution

of the State of New Mexico. N.M. Const. art II. §18. The New Mexico Rules Act protects those due process rights by requiring that the public be put on notice of proposed rulemaking changes in order to allow for the public to participate in that process. *See* N.M.S.A. § 14-4-1 et seq. SJCA is concerned that this action would circumvent these due process rights by bypassing the procedures set forth in the New Mexico Rules Act and guaranteed by the New Mexico Constitution, and therefore SJCA should also be granted standing in this matter because of its due process interest.

Alternatively, the Commission should grant intervention under 19.15.4.11(C) NMAC, which allows intervention when intervenors can “substantially contribute” to the protection of public health and the environment. SJCA can substantially contribute to the protection of public health and the environment in this matter because of our unique understanding of how oil and gas development has often negatively affected the people of the San Juan Basin through more than 30 years of advocacy on this topic. SJCA has been representing the people of the San Juan Basin in advocating for a healthy environment since the organization’s formation in 1986. With more than 40,000 oil and gas wells in the San Juan Basin, SJCA has developed an expertise in how these wells affect public health and the environment, and how to best mitigate these problems. In the past three years alone, SJCA has submitted more than 1,400 pages of comments that advocate for clean energy production in the San Juan Basin. These experiences uniquely place SJCA in a position to substantially contribute to the Commission’s consideration of this matter.

SJCA’s request is redressable by the Oil Conservation Commission. 19.15.4.20 NMAC grants the Commission the authority to hold a hearing, enabling the Commission to accept or deny an application for amendment. Therefore, SJCA’s request is redressable because the

Commission has the authority to accept or deny Hilcorp's application, or require that this matter follow the rulemaking process as outlined in the Oil and Gas Act, N. M. S. A. 1978, § 70-2-12.2, and the New Mexico Rules Act, N.M.S.A. § 14-4-1 et seq.

**EXTENT TO WHICH THE INTERVENOR OPPOSES ISSUANCE OF THE ORDER
APPLICANT SEEKS:**

SJCA strongly opposes Hilcorp's request to amend the Special Rules governing the Blanco-Mesaverde Gas Pool. If approved, this amendment to the Special Rules would allow the a doubling of the number of wells that could operate in the Pool and would deny the people of San Juan and Arriba Counties the ability to participate in the process by which exceptions to the Special Rules are currently granted.

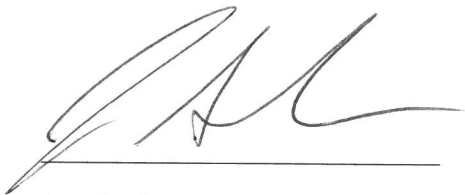
SJCA believes that public health and the environment in the San Juan Basin may be irreparably impacted by this significant increase in well density and spacing. Due to time constraints associated with the September 13 hearing, a unique burden has been placed on SJCA to develop evidence and consult with experts in the field of public health and the environment that could comment on these potential issues. SJCA intends to move for a continuance in this matter.

Moreover, SJCA is concerned that Hilcorp's application, if approved, may constitute a violation of the New Mexico State Rules Act. Section 14-4-5.2 of the State Rules Act provides that a notice of proposed rulemaking must be published in the New Mexico Register no later than 30 days prior to a hearing on the matter. Among other requirements, this notice must include an explanation of the purpose of the proposed rule, information on where and when a public rule hearing will be held and how a person may participate in the hearing, and a citation to technical

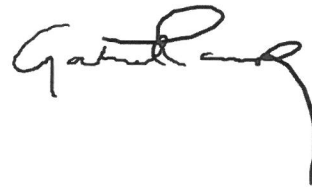
information, if any, that served as a basis for the proposed rule. Therefore, SJCA believes that the notice given in this matter may be insufficient.

For the aforementioned reasons, SJCA respectfully requests that this Notice of Intervention be approved so that SJCA may file a Motion for Continuance of the September 13, 2018 hearing in order to give us more time to consult with experts and formulate our case.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be 'Jon Anderson', written over a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that on September 6, 2018, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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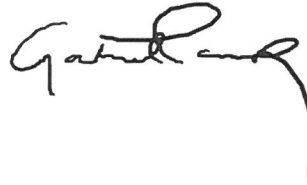
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