

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

RECEIVED OGD  
2016 MAY -4 P 4: 21

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

**PRE-HEARING STATEMENT OF YATES PETROLEUM CORPORATION**

Yates Petroleum Corporation ("Yates") submits this Pre-Hearing Statement as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Oil Conservation Division

**ATTORNEY**

David Brooks, Esq.  
Energy, Minerals and Natural Resources  
Department of the State of New Mexico  
1220 S. St. Francis Drive  
Santa Fe, NM 87505  
Phone: (505) 476-3415  
[Davidk.Brooks@state.nm.us](mailto:Davidk.Brooks@state.nm.us)

**OPPONENTS**

Yates Petroleum Corporation  
105 S. Fourth Street  
Artesia, NM 88210-2118

**ATTORNEY**

Gary W. Larson, Esq.  
Hinkle Shanor LLP  
P.O. Box 2068  
Santa Fe, NM 87504-2068  
Phone: (505) 982-4554  
[glarson@hinklelawfirm.com](mailto:glarson@hinklelawfirm.com)

Pecos Valley Artesian Conservancy District

AJ Olsen, Esq.  
Alvin F. Jones, Esq.  
Olivia R. Mitchell, Esq.  
P.O. Box 1415  
Roswell, NM 88202-1415  
Phone: (575) 624-2463  
Fax: (575) 624-2878  
[ajolsen@h2olawyers.com](mailto:ajolsen@h2olawyers.com)  
[ajones@h2olawyers.com](mailto:ajones@h2olawyers.com)  
[omitchell@h2olawyers.com](mailto:omitchell@h2olawyers.com)

**INTERESTED PARTIES**

COG Operating LLC

**ATTORNEY**

Michael H. Feldewert, Esq.  
Jordan L. Kessler, Esq.  
Holland & Hart, LLP  
Post Office Box 2208  
Santa Fe, NM 87504-2208  
Phone: (505) 988-4421  
Fax: (505) 983-6043  
[mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)  
[jlkessler@hollandhart.com](mailto:jlkessler@hollandhart.com)

OXY USA Inc.

Michael H. Feldewert, Esq.  
Jordan L. Kessler, Esq.  
Holland & Hart, LLP  
Post Office Box 2208  
Santa Fe, NM 87504-2208  
Phone: (505) 988-4421  
Fax: (505) 983-6043  
[mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)  
[jlkessler@hollandhart.com](mailto:jlkessler@hollandhart.com)

**STATEMENT OF THE CASE**

Applicant the Oil Conservation Division (“the Division”) seeks an order establishing minimum casing and cementing requirements that will adequately protect fresh water aquifers in certain designated areas of Chaves and Eddy Counties. Yates opposes the Division’s application on the grounds that new requirements could result in safety risks and increased drilling costs.

**PROPOSED EVIDENCE**

<b><u>WITNESS</u></b>	<b><u>ESTIMATED TIME</u></b>	<b><u>EXHIBITS</u></b>
Jeremiah Mullen (Drilling Engineer)	10 minutes	none

Yates reserves the right to call a rebuttal witness if appropriate.

**PROCEDURAL MATTERS**

Yates is aware that the Pecos Valley Artesian Conservancy District has filed a motion for a continuance. Yates does not oppose the motion.

Respectfully submitted,

HINKLE, HENSLEY, SHANOR &  
MARTIN, LLP



Gary W. Larson  
P.O. Box 2068  
Santa Fe, NM 87504-2068  
Phone: (505) 982-4554  
Facsimile: (505) 982-8623  
[glarson@hinklelawfirm.com](mailto:glarson@hinklelawfirm.com)

*Counsel for Yates Petroleum Corporation,*

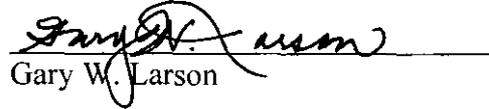
**CERTIFICATE OF SERVICE**

I hereby certify that on this 4th day of May, 2016, I served a true and correct copy of the foregoing *Pre-Hearing Statement of Yates Petroleum Corporation* via email to:

David Brooks, Esq.  
Energy, Minerals and Natural Resources  
Department of the State of New Mexico  
1220 S. St. Francis Drive  
Santa Fe, NM 87505  
[Davidk.Brooks@state.nm.us](mailto:Davidk.Brooks@state.nm.us)

AJ Olsen, Esq.  
Alvin F. Jones, Esq.  
Olivia R. Mitchell, Esq.  
P.O. Box 1415  
Roswell, NM 88202-1415  
[ajolsen@h2olawyers.com](mailto:ajolsen@h2olawyers.com)  
[ajones@h2olawyers.com](mailto:ajones@h2olawyers.com)  
[omitchell@h2olayers.com](mailto:omitchell@h2olayers.com)

Michael H. Feldewert, Esq.  
Jordan L. Kessler, Esq.  
Holland & Hart, LLP  
Post Office Box 2208  
Santa Fe, NM 87504-2208  
[mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)  
[jlkessler@hollandhart.com](mailto:jlkessler@hollandhart.com)

  
\_\_\_\_\_  
Gary W. Larson