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March 28, 2017

*Via Federal Express*

**OIL CONSERVATION DIVISION**

Attn: Florene Davidson  
1220 S. St. Francis Drive  
Santa Fe, New Mexico 87505

**Re: *OCD Case No. 15487***

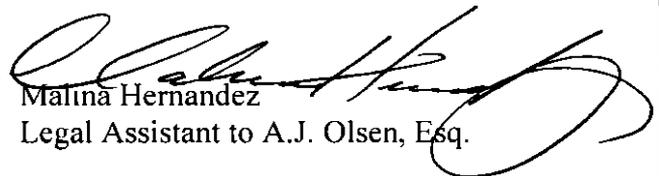
Dear Ms. Davidson:

Enclosed please find one original and six copies of *Pecos Valley Artesian Conservancy District's Pre-Hearing Statement*. I respectfully request that it be submitted for filing and an endorsed copy be returned in the stamped, self-addressed envelope.

Thank you for your attention to this matter. If you have any questions, please feel free to contact me.

Sincerely yours,

**HENNIGHAUSEN & OLSEN, L.L.P.**

  
Malina Hernandez  
Legal Assistant to A.J. Olsen, Esq.

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

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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

PECOS VALLEY ARTESIAN CONSERVANCY DISTRICT'S  
PRE-HEARING STATEMENT

Pecos Valley Artesian Conservancy District (PVACD), submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

I. PARTIES AND APPEARANCES

APPLICANT

Oil Conservation Division

ATTORNEY

David Brooks, Esq.  
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INTERESTED PARTY

PVACD

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**INTERESTED PARTY**

COG Operating LLC  
OXY USA Inc.  
Fasken Oil & Ranch, Ltd.

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**INTERESTED PARTY**

EOG Y Resources Inc.

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**INTERESTED PARTY**

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Devon Energy Production  
Company, L.P.

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**INTERESTED PARTY**

Independent Petroleum  
Association of New Mexico

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**INTERESTED PARTY**

New Mexico Oil & Gas Association

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## II. STATEMENT OF CASE

One February 8, 2017, the Oil Conservation Division Commission entered its Order No. R-14164-D adopting Special Provisions for a Selected Area of the Roswell Artesian Basin (“Special Provisions”), which are included in Attachment 1 to the Commission’s Order. PVACD joined with Lime Rock, EOG Y Resources, Inc., COG Operating, LLC, Fasken Oil & Ranch, Ltd., OXY USA Inc., Mack Energy Corporation, Devon Energy Production Company, L.P. and the Independent Petroleum Association of New Mexico (collectively “the Joint Applicants”) in requesting a rehearing for purposes of addressing two parts of the Commission’s Special Provisions.

The Pecos Valley Artesian Conservancy District contends that the proposed modification of 19.15.39.11(C)(2) will eliminate ambiguous language and provide clarity to the rule. The PVACD does not disagree with the Division’s proposed substitute language.

## III. WITNESSES AND PROPOSED EVIDENCE

### A. WITNESSES

<b>Name</b>	<b>Evidence</b>
Bill Netherlin Chairman, PVACD Board of Directors <i>and</i> Water right owner	Mr. Netherlin will testify as to PVACD public policy and clarity to the well casing requirements.

PVACD reserves the right to call a rebuttal witness(es) if appropriate.

<b>B. ESTIMATED TIME:</b>	The estimated time required for the presentation of evidence by PVACD is twenty minutes (20) minutes.
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## IV. PROCEDURAL MATTERS

None at this time.

Respectfully submitted

**HENNIGHAUSEN & OLSEN, L.L.P.**

/s/ A.J. Olsen

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing *Pre-Hearing Statement* was served via electronic mail on March 28, 2017 to the following parties:

/s/ A.J. Olsen

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