

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

**Ms. Florene Davidson
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New Mexico Oil Conservation Division
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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**

PRE-HEARING STATEMENT

Intervenor's name:
San Juan Citizens Alliance

Intervenor's address:
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Addresses of intervenor's attorneys:
Western Environmental Law Center
Julia Guarino, Staff Attorney,
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CONCISE STATEMENT OF THE CASE:

On August 18, 2018, SJCA moved to intervene in this case. In response, Hilcorp Energy Company (“Hilcorp”) filed a motion to strike SJCA’s intervention, which the OCC orally granted at its September 13, 2018 hearing on the basis that “SJCA failed to show a basis for legal standing to intervene and that it failed to show it would contribute substantially to the particular issues before the Commission.” (OCC Order No. R-10987-A(2)). Also at that hearing, the OCC continued the case until November 19th so that Hilcorp could provide notice to other operators pursuant to N.M.A.C. § 19.15.4.12(A)(4)(b). OCC Commissioner Robert Balch invited SJCA to file a renewed motion to intervene in the November 19th hearing. (see Reporter’s Transcript of Proceedings, Commissioner Hearing, September 13, 2018, p. 134).

On November 9, 2018, SJCA again moved to intervene on the basis that it legal standing and, alternatively, that SJCA’s intervention would substantially contribute to the protection of public health and the environment, and Hilcorp again filed a motion to strike SJCA’s intervention. Hilcorp’s Motion to Strike SJCA’s Second Notice of Intervention, November 15, 2018. OCC granted Hilcorp’s motion to strike SJCA’s intervention once again on the basis that “SJCA failed to show a basis for legal standing to intervene and failed to show that it had the special expertise to contribute substantially to the particular issues before the Commission.” (OCC Order No. R-10987-A(2)). At the same hearing, OCC denied the New Mexico State Land Office’s (“Land Office”) motion to intervene. (OCC Order No. R-10987-A(2)).

Both the Land Office and SJCA filed motions for rehearing on December 31, 2018. The OCC scheduled a hearing to consider those motion on January 8, 2019. At that hearing and in a subsequent order, the OCC found that “the decisions to deny intervenor status to either SJCA or the Land Office may have been erroneous and that greater transparency would benefit the

proceeding.” (OCC Order No. R-10987-A(4)). OCC scheduled a rehearing in this case for May 9, 2019, which it subsequently rescheduled for August 15, 2019. SJCA understands the OCC’s order to mean that the OCC has rescinded its November 19th grant of Hilcorp’s motion to strike SJCA’s intervention, and therefore that SJCA’s November 9, 2018 Notice of Intervention will again be properly before the OCC at the August 15, 2019 hearing on this application.

SJCA also negotiated with the other parties to come to an agreement about the appropriate scope of Hilcorp’s application in this case, and supports the Unopposed Motion to Amend the Special Rules for the Blanco-Mesaverde Pool filed by the New Mexico State Land Office’s (“Land Office”) on July 12, 2019. On August 6, 2019, SJCA submitted a Renewed and Amended Notice of Intervention in advance of the August 15th hearing, incorporating by reference the positions and arguments set forth in its original November 9th Notice of Intervention, November 19th Response to Motion to Strike Notice of Intervention, and in accord with NMAC §§ 19.15.4.11(A) and (C).

NAMES OF WITNESSES THE PARTY WILL CALL TO TESTIFY AT THE HEARING:

SJCA does not intend to call witnesses, unless the Unopposed Motion to Amend the Special Rules for the Blanco-Mesaverde Pool is denied. If the Unopposed Motion is denied, SJCA intends to call the following witnesses:

1. Mike Eisenfeld
Energy and Climate Program Manager, San Juan Citizens Alliance

Mr. Eisenfeld has a M.A. in Environmental Policy and Management from University of Denver, and extensive experience engaging in oil and gas regulatory processes at the state and federal levels. Mr. Eisenfeld will present information on the interface between OCC and BLM management responsibilities and how that interface affects underground reservoir management,

as well as the application's potential to cause surface waste and affect public health and the environment.

2. Don Schreiber

Rio Arriba County Landowner and Member of San Juan Citizens Alliance

Mr. Schreiber is a lifelong resident of Rio Arriba County, New Mexico and an active member of SJCA. Mr. Schreiber owns Devils Spring Ranch along with his wife, Jane Schreiber, where they raise cattle. There 122 oil and gas wells on and around their property. Mr. Schreiber will present information about the environmental and health effects he and his family have experienced as a result of those wells.

THE APPROXIMATE TIME THE PARTY WILL NEED TO PRESENT ITS CASE:

SJCA does not anticipate that it will need any time to present its case at the August 15 hearing if the OCC grants the Unopposed Motion to Amend the Special Rules for the Blanco-Mesaverde Pool. If the OCC denies that Motion, SJCA requests 30 minutes to present its case.

IDENTIFICATION OF ANY PROCEDURAL MATTERS THAT ARE TO BE RESOLVED PRIOR TO THE HEARING:

SJCA requests an OCC decision as to its right to intervene in the August 15 hearing.

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

SJCA supports the July 12 Unopposed Motion to Amend the Special Rules for the Blanco-Mesaverde Pool. SJCA will not present witnesses or seek to cross-examine Hilcorp's witnesses in the case if the OCC grants that Unopposed Motion. SJCA continues to oppose Hilcorp's original Application and will present witnesses and cross-examine Hilcorp's witnesses if the Unopposed Motion is denied and Hilcorp's original Application is under consideration at the hearing instead.

Respectfully Submitted,

/s/
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CERTIFICATE OF SERVICE

I hereby certify that on August 7, 2019, I served a copy of the foregoing documents to the following counsel of record via Electronic Mail:

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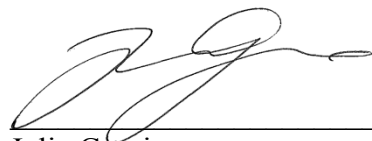
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