

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

RECEIVED OGD

2011 NOV -9 P 4: 32

IN THE MATTER OF THE APPLICATION OF THE
NEW MEXICO OIL AND GAS ASSOCIATION FOR
AMENDMENT OF CERTAIN PROVISIONS OF
TITLE 19, CHAPTER 15, PART 16 OF THE NEW
MEXICO ADMINISTRATIVE CODE CONCERNING
LOG, COMPLETION, HYDRAULIC FRACTURING,
AND WORKOVER REPORTS, STATEWIDE

CASE NO. 14753

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Montgomery and Andrews, P.A. (J. Scott Hall) on behalf of Halliburton Energy Services, Inc. as required by *inter alia* 19.15.13.11 NMAC of the Oil Conservation Division's rules.

APPEARANCES

APPLICANT

New Mexico Oil and Gas Association
203 E. Santa Fe Avenue
Santa Fe, NM 87505

APPLICANT'S ATTORNEY

William F. Carr, Esq.
Michael Feldewert, Esq.
Holland & Hart LLP
P.O. Box 2208
Santa Fe, NM 87504-2208
(505) 988-4421
wcarr@hollandhart.com
mfeldewert@hollandhart.com

OTHER PARTY

Halliburton Energy Services, Inc.

OTHER PARTY'S ATTORNEY

J. Scott Hall, Esq.
Montgomery & Andrews
P.O. Box 2307
Santa Fe, NM 87504-2307
(505) 982-3873
SHall@montand.com

New Mexico Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Drive
Santa Fe, NM 87501

Gabrielle Gerholt, Esq.
1220 S. St. Francis Drive
Santa Fe, NM 87501
(505) 476-3451

Oil and Gas Accountability
Project

Eric Jantz, Esq.
New Mexico Environmental Law Center
1405 Luisa Street, Suite 5
Santa Fe, NM 87505
(505) 989-9022

STATEMENT OF THE CASE

APPLICANT:

NEW MEXICO OIL AND GAS ASSOCIATION

The New Mexico Oil and Gas Association proposes an amendment to the Oil Conservation Division's current well completion reporting rule (§19.15.16.18 NMAC) that will require operator reporting of post-completion hydraulic fracturing stimulation operations, including the disclosure of fracture fluid composition. Operators would be able to comply with the new requirement by online reporting via the Groundwater Protection Council/IOGCC FracFocus registry or by filing hard copies of the same information with the NMOCD. The proposed rule amendment specifies that the reporting format will be in accordance with the Groundwater Protection Council's reporting template in effect as of July 1, 2011. The new completion reporting requirement would be mandatory for all operators, statewide.

HALLIBURTON ENERGY SERVICES, INC.

Halliburton Energy Services, Inc. (HESI) is a service company providing well completion stimulation services and products to New Mexico operators. HESI employs more than 700 individuals in New Mexico and has seven field offices in the Permian Basin and the San Juan Basin. The stimulation methods and products provided to New Mexico operators by HESI are proven to significantly increase well productivity and the recovery of reserves.

HESI supports the disclosure of information about fracture fluid products by means consistent with the need to protect valuable trade secrets. HESI regards the formulations of the stimulation fluids it offers to New Mexico operators to be proprietary. HESI supports the proposed rule amendment and reporting requirement as advocated by the New Mexico Oil and Gas Association, including specifically the use of the FracFocus disclosure format which does provide for the protection of trade secret information.

On November 2, 2011 the Division submitted its proposed modifications to the rule amendment and on November 7, 2011 circulated a proposed form for reporting hydraulic fluids to the Division. HESI also supports the Division's proposals.

PROPOSED EVIDENCE

WITNESSES:	Est. Time	No. of Exhibits
------------	-----------	-----------------

Halliburton Energy Services, Inc.

Halliburton Energy Services, Inc. does not at this time plan to present witnesses in the case on direct, but reserves the right to do so and further reserves the right to cross-examine witnesses. Halliburton Energy Services, Inc. also reserves the right to offer additional expert witnesses and technical exhibits in accordance with §19.15.3.11 B (3) of the Division's rules.

PROCEDURAL MATTERS

None at this time.

Montgomery and Andrews, P. A.

By: J. Scott Hall
J. Scott Hall
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
(505) 982-3873
(505) 982-4289 fax
shall@montand.com
Attorneys for Halliburton Energy Services, Inc.

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served to counsel of record by electronic mail this 9th day of November, 2011.

Eric Jantz, Esq.
New Mexico Environmental Law Center
1405 Luisa Street, Suite 5
Santa Fe, NM 87505
(505) 989-9022
ejantz@nmelc.org

Holland & Hart
Michael Feldewert, Esq.
P.O. Box 2208
Santa Fe, NM 87504-2208
(505) 988-4421
mfeldewert@hollandhart.com

Gabrielle Gerholt, Esq.
1220 S. St. Francis Drive
Santa Fe, NM 87501
(505) 476-3451
Gabrielle.Gerholt@state.nm.us



J. Scott Hall