

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

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IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

APPLICATION OF OWL OIL AND GAS LLC  
FOR APPROVAL OF A SALT WATER DISPOSAL  
WELL, EDDY COUNTY, NEW MEXICO.

Case No. 15,060

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted as required by the Oil Conservation Division in the instance that a party wishes to both cross-examine witnesses and to present evidence.

**APPEARANCE ON BEHALF OF THE NEW MEXICO STATE LAND OFFICE**

Hugh W. Dangler  
Associate Counsel  
New Mexico State Land Office  
310 Old Santa Fe Trail  
P.O. Box 1148  
Santa Fe, New Mexico 87504-1148

**STATEMENT OF THE CASE**

The State Land Office (SLO) understands that the applicant wishes to dispose produced water at a depth of 670-785 feet below Myrtle Myra Well No. 3. The concerns expressed by Sheila Mallory, Deputy State Director of the United States Department of the Interior in her letter of March 14, 2013, are shared by the SLO Oil and Gas Division, with the addition of our understanding that no sufficient barrier exists to limit the migration of disposed fluids into the Capitan Reef.

**PROPOSED EVIDENCE**

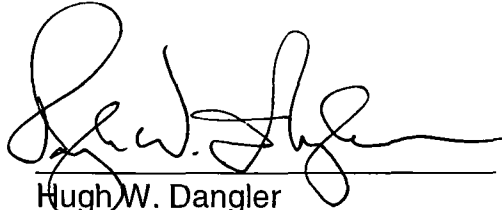
<u>WITNESSES</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Anchor Holm, Professional Petroleum Engineer	15 minutes	2
William Jones	10 minutes	

Professional Petroleum Engineer

**PROCEDURAL MATTERS**

The State Land Office is not aware of any procedural matters at this time.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Hugh W. Dangler", written over a horizontal line.

Hugh W. Dangler  
Post Office Box 1148  
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(505) 827-5756

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 27<sup>th</sup> day of March, 2013 by e-mail:

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