

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

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**IN THE MATTER OF APPLICATION
OF PARKER ENERGY SUPPORT
SERVICES, INC. FOR AUTHORIZATION
TO INJECT, LEA COUNTY, NEW MEXICO**

CASE NO. 15180

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

Kelly Brooks Smith
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 New Mexico State Land Office has concerns about the application, given that the proposed injection interval is into the San Andres formation, which contains 1,600 mg/L of chlorides in the immediate vicinity of the proposed salt water disposal well. The well is located in the back-reef portion of the Capitan Reef Aquifer where the ground water quality is from 1600 to 5,000 mg/L of chlorides, thus making the waters protectable groundwater. The application does not indicate that a sufficient barrier exists to prevent the migration of disposed fluids into the Capitan Reef Aquifer.

In addition, the application does not indicate a sufficient barrier to prevent waste to the State Land Office's oil reserves above the proposed salt water disposal interval.

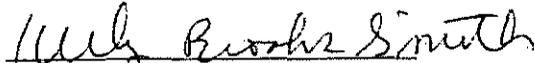
PROPOSED EVIDENCE

| <u>WITNESSES</u> | <u>ESTIMATED TIME</u> | <u>EXHIBITS</u> |
|---|-----------------------|-----------------|
| Anchor Holm, Professional Petroleum Engineer | 30 minutes | 6 to 8 |
| William Jones, Professional Petroleum Engineer | 10 minutes | |

PROCEDURAL MATTERS

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

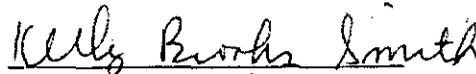
Respectfully submitted,



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Certificate of Service

I hereby certify that a copy of the foregoing was served upon the following this 30th day of July, 2014 by regular U.S. mail:



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