STATE OF NEW MEXICO ENERGY MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION RECEIVED OCD Line 10 | May - Line 10 | May -

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

ORDER NO. E-42 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

1. <u>APPLICANT</u> <u>ATTORNEY</u>

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2. <u>INTERESTED PARTY</u> ATTORNEYS

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3. INTERESTED PARTY

ATTORNEYS

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4. INTERESTED PARTY

ATTORNEYS

OXY USA Inc.

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II. STATEMENT OF CASE

The Oil Conservation Division seeks an order establishing minimum casing and cementing requirements that will adequately protect fresh water aquifers in the Designated Area in Chaves and Eddy Counties, New Mexico. Applicant has not yet proposed special rules, therefore PVACD is not able to state a position on this case. PVACD asserts that the proposed rules should comply with the provisions of 19.15.16.9 and 19.15.16.10 NMAC; and 19.27.4.29, 19.27.4.30 and 19.27.4.31 NMAC.

III. WITNESSES AND PROPOSED EVIDENCE

A. WITNESSES

Name Evidence

Jack Atkins, P.E.

Atkins Engineering Associates, Inc.

Mr. Atkins is a licensed well driller and an expert who may testify as to water rights administration, historical use of water, hydrology, geohydrology, and well design and construction. Exhibits have not been identified. John Shomaker, PhD John Shomaker & Associates, Inc.

Mr. Shomaker is an expert who may testify as to water rights administration, historical use of water, well design and construction, and hydrology. Exhibits have not been identified.

Bill Netherlin Chairman, PVACD Board of Directors and Water right owner

Mr. Netherlin will testify as to PVACD public policy and well requirements.

B. ESTIMATED TIME:

The estimated time required for the presentation of evidence by PVACD is two (2) hours.

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 May 4, 2016 to the following parties:

/s/ A.J. Olsen
HENNIGHAUSEN & OLSEN, L.L.P.

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