

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

**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**

**CASE NO. 15487
ORDER NO. R-14164-B**

ORDER OF THE DIVISION

This case came on for hearing at 8:15 a.m. on June 23, 2016, at Santa Fe, New Mexico, before Examiner William V. Jones for a Pre-Hearing Scheduling Conference involving all parties in order to recommend to the Division the time needed for hearing the merits of the case and specific dates that all parties are available for hearing.

NOW, on this 24th day of June, 2016, the Division Director having considered the record and the recommendations of the Examiner,

FINDS THAT:

(1) A discussion was held by all parties, and it was unanimously agreed that Case No. 15487 should be remanded to a special hearing before the Oil Conservation Commission.

(2) The Oil and Gas Act, Section 70-2-6(B) NMSA 1978, provides that the Division Director may, in his discretion, determine that "any hearing on any matter" shall be held before the Oil Conservation Commission.

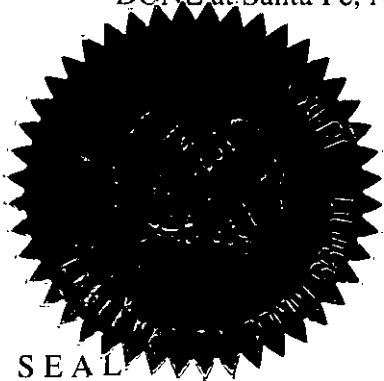
(3) Interim Order No. R-14164 suspended all Applications for Permits to Drill that the Division has heretofore approved and that have not expired, for wells not yet drilled, within the Designated Area and authorized the Oil Conservation Division District II to make exceptions to such suspension upon demonstration that fresh water sources designated by the State Engineer will be adequately protected.

IT IS THEREFORE ORDERED THAT:

(1) Case No. 15487 is hereby assigned by the Division Director to the Oil Conservation Commission and a hearing will be held before the Oil Conservation Commission beginning on August 8, 2016.

(2) Interim Order No. R-14164 shall remain in effect until a full hearing is held on the merits of the application filed by the District Supervisor in this case, and an Order is issued thereon by the Oil Conservation Commission.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script that reads "David R. Catanach".

DAVID R. CATANACH
Director