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**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

**PECOS VALLEY ARTESIAN CONSERVANCY DISTRICT'S
PROPOSED FINDINGS OF FACT AND CLOSING STATEMENT ON REHEARING**

Pecos Valley Artesian Conservancy District (PVACD), pursuant to the Commission's direction's the PVACD respectfully submits its Pecos Valley Artesian Conservancy District's Proposed Findings of Fact And Closing Statement on Rehearing.

1. One February 8, 2017, the Oil Conservation Division Commission entered its Order No. R-14164-D adopting Special Provisions for a Selected Area of the Roswell Artesian Basin ("Special Provisions"), which are included in Attachment 1 to the Commission's Order. PVACD joined with Lime Rock, EOG Y Resources, Inc., COG Operating, LLC, Fasken Oil & Ranch, Ltd., OXY USA Inc., Mack Energy Corporation, Devon Energy Production Company, L.P. and the Independent Petroleum Association of New Mexico (collectively "the Joint Applicants") in requesting a rehearing for purposes of addressing two parts of the Commission's Special Provisions.

2. On May 18, 2017, the Commission considered the evidence on the two issues presented by the joint applicants and the OCD.

3. At the hearing, the PVACD took no position regarding the designated area to which the Commission rule applies.

4. At the hearing, the PVACD presented evidence regarding the ambiguity of Section 19.13.39.11(C)(2) of the Commission Rule.

5. The PVACD proposed the Commission adopt the movants proposed language contained in the Joint Motion or in the alternative the language proposed by the OCD.

6. Lime Rock Resources (Lime Rock) proposed the Commission adopt a modified form of the language contained in the Joint Motion.

7. The PVACD is opposed to the proposed language by Lime Rock.

8. Uncontroverted evidence was presented that an artesian aquifer exists within the area of concern to Lime Rock.

9. The artesian aquifer produces "protectable water" and the setting of the surface casing should be set fifty (50) feet below the base of the artesian aquifer.

10. The PVACD adopts by reference the OCD's Suggested Alternative (1) as set out in Exhibit A to the OCD's Closing Statement on Rehearing.

11. The PVACD adopts by reference the OCD's Proposed Revisions to Section 19.15.39.11.D as set out in Exhibit A to the OCD's Closing Statement on Rehearing.

Respectfully submitted

HENNIGHAUSEN & OLSEN, L.L.P.



A.J. Olsen, Esq.
Alvin F. Jones, Esq.
Olivia R. Mitchell, Esq.
P.O. Box 1415
Roswell, New Mexico 88202-1415
(575) 624-2463
(575) 624-2878 (fax)
ajolsen@h2olawyers.com
ajones@h2olawyers.com
omitchell@h2olawyers.com

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing *Pecos Valley Artesian Conservancy District's Proposed Findings of Fact And Closing Statement On Rehearing* was served via electronic mail on June 6, 2017 to the following parties.



HENNIGHAUSEN & OLSEN, L.L.P.

FLORENE DAVIDSON
Division Clerk
New Mexico Oil Conservation
District
1220 S. St. Francis Drive
Santa Fe, NM 87505
Florene.davidson@state.nm.us

DAVID K. BROOKS, ESQ.
Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Drive
Santa Fe, NM 87505
Davidk.brooks@state.nm.us

MICHAEL H. FELDEWERT
JORDAN L. KESSLER, ESQ.
Holland & Hart
P.O. Box 2208
Santa Fe, NM 87504-2208
mfeldewert@hollandhart.com
jlkessler@hollandhart.com

GARY LARSON, ESQ.
Hinkle Shanor LLP
P.O. Box 2068
Santa Fe, New Mexico 87504-
2068
(505) 982-4554
glarson@hinklelawfirm.com

JAMES BRUCE, ESQ.
P.O. Box 1056
Santa Fe, New Mexico 87504-
1056
(505) 982-2043
jamesbruc@aol.com

TOM MULLINS
IPANM, President
Tom.mullins@synergyoperating.com

RYAN FLYNN, ESQ.
NMOGA
P.O. Box 1864
Santa Fe, New Mexico 87504-
1864
(505) 982-2568
flynn@nmoga.org

OWEN KELLUM, ESQ.
New Mexico Office of the State
Engineer
PO Box 25102
Santa Fe, NM 87504-5102
(505) 827-4142
owen.kellum@state.nm.us