

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

IN THE MATTER OF

**PROPOSED AMENDMENTS TO SECTION 19 OF 19.15.16 NMAC AND
SECTION 16 OF 19.15.7 NMAC, EXTENDING THE TIME FOR REPORTING
COMPLETION OF HORIZONTAL WELLS FROM 20 TO 45 DAYS, AND
PROPOSED FURTHER AMENDMENT OF SECTION 19 OF 19.15.16 NMAC TO
REQUIRE OPERATORS TO REPORT CERTAIN INFORMATION
REGARDING HYDRAULICALLY FRACTURED WELLS IN THE
FRACFOCUS CHEMICAL DISCLOSURE REGISTRY**

CASE NO. 15726

**OIL CONSERVATION DIVISION'S
PRE-HEARING STATEMENT**

(1) The New Mexico Oil Conservation Division ("OCD"), as Intervenor, files the following
Pre-Hearing Statement.

Parties and Attorneys

**THE NEW MEXICO OIL CONSERVATION
DIVISION**

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STATEMENT OF THE CASE

The New Mexico Oil Conservation Commission ("the Commission") commenced this proceeding on its own motion, proposing amendments to Rules 19.15.7.16 NMAC and 19.15.16.19 NMAC (1) to require filing of fracture treatment disclosures through the FracFocus Chemical Disclosure Registry, and (2) to extend the time for filing completion reports concerning horizontal wells from 20 days to 45 days after completion. The purpose of the proposed rule amendments is (a) to coordinate fracture treatment disclosure rules with those of numerous other states that utilize FracFocus, and (b) to allow filing of completion reports for horizontal wells to be deferred until a time when required information is more likely to be available, thereby limiting the necessity for filing amended reports.

OCD has proposed an alternative to the rule attached to the Commission's Order which (1) eliminates the requirement in the Commission's proposal for duplicate filing with OCD, (2) extends the requirement for fracture treatment disclosure filing to fracture treatments in connection with re-completions or workovers, as well as original completions, and (3) extends the deferral of completion reporting to 45 days after completion to non-horizontal, as well as horizontal wells. The purpose of the proposed alternative is to eliminate duplication of fracture treatment disclosure filings, and to reduce potential for confusion by having a single requirement for disclosure filing and a uniform time for completion reporting.

WITNESSES

<u>Name</u>	<u>Employer</u>	<u>Position</u>	<u>Subject of Testimon</u>
Phillip Goetze	NMEMNRD	Geologic Specialist	FracFocus reporting

Testimony to be presented by Phillip R. Goetze

Mr. Goetz will be testifying as a fact witness. He will provide a general description of the FracFocus Chemical Disclosure Registry and the reporting process.

Exhibits:

1. OCD fracture stimulation disclosure form
2. FracFocus fracture stimulation disclosure information, data entry forms and instructions
3. Comparison of data elements captured by existing OCD form and by FracFocus (a copy of Ex. 3 is not presently available. We will supplement ASAP.)

Time for Presentation: 15 minutes

PROCEDURAL MATTERS

The Applicant knows of no unresolved procedural matters.

Respectfully Submitted,



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Certificate of Service

I hereby certify that the above pleading was served on the following parties by electronic mail on July 6, 2017.

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