Martin Law Firm

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W. T. Martin, Jr.* Lane T. Martin (*Licensed Also in Texas) Telephone: (505) 887–3528 Fax: (505) 887-2136

| May 3, 2006 | 2006 |
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| Oil Conservation Division | Mθλ |
| State of New Mexico 1220 S. St. Francis Drive | |
| Santa Fe, NM 87505 | Pm |
| Re: Application of Range Operating New Mexico, Inc. | \sim |
| | 7P |

To whom it may concern:

Enclosed please find an original and two copies of the Protest of John Draper Brantley, Jr., Claibourne M. Power, Merland, Inc., Will Matthew Brantley and Johnny Reid, as well as the Pre-Hearing Statement of John Draper Brantley, Jr., Claibourne M. Power, Merland, Inc. Will Matthew Brantley and Johnny Reid. Please file stamp one copy of each and return in the self addressed stamped envelope provided. Please contact our office if there is anything further needed. Thank you.

Yours very truly,

MARTIN LAW EARM

Kirstin Carlson, CP Paralegal for W. T. Martin, Jr.

Enclosure(s): as stated.

xc: our files.

ITATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT 4 2006 MAY 4 **OIL CONSERVATION DIVISION**

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| IN THE MATTER OF THE HEARING CALLED BY) | |
| THE OIL CONSERVATION DIVISION FOR THE | PM |
| PURPOSE OF CONSIDERING, | 2 |
| Application Range Operating New Mexico, Inc. for Approval of its East Loving-Delaware Leasehold Waterflood Project Including Six Injection Wells to be Located at Unorthodox Well Locations and to Qualify This Project for the Recovered Oil Tax Rate Pursuant to the "New Mexico Enhanced Oil Recovery Act," Lea County New | CASE NO. 13 |
| MEXICO, | |



Martin Law Firm

W. T. Martin, Jr. 509 W. Pierce St. P.O. Box 2168 Carlsbad, NM 88221-2168 (505) 887-3528 Fax (505) 887-2136 e-mail: martinlaw@zianet.com COME NOW John Draper Brantley, Jr., Claibourne M. Power, Merland, Inc., a New Mexico corporation, Will Matthew Brantley and Johnny Reid ("Protestants") by and through their attorney, W. T. Martin, Jr., of Martin Law Firm, and for their protest state:

- John Draper Brantley, Jr., Will Matthew Branltey and Johnny Reid each own surface and underground water rights in south Eddy County, New Mexico, which will be directly affected by the Oil Conservation Division's approval of the Application. John Draper Brantley, Jr., Claibourne M. Power, Merland, Inc., and Johnny Reid each own mineral rights that will be directly affected by the Oil Conservation Division's approval of the Application.
- 2. Applicant, Range Operating New Mexico, Inc., has applied as set forth in its published notice and its Application.
- John Draper Brantley, Jr., Will Matthew Brantley and Johnny Reid will each have their water rights impaired by the Oil Conservation Division approving Range Operating New Mexico, Inc.'s Application.
- 4. For all the foregoing reasons, the Oil Conservation Division should deny the Range Operating New Mexico, Inc., Application.
- 5. Request made for a hearing on the protest.

W. T. Martin, Jr.

Martin Law Firm certifies that a copy of the foregoing pleading was e-mailed, faxed and mailed to opposing counsel of record on the 3^{nd} day of May 2006.

By 🖉 W. T. Martin, Jr

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

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| IN THE MATTER OF THE HEARING CALLED BY) | ~ |
| THE OIL CONSERVATION DIVISION FOR THE | 47 |
| PURPOSE OF CONSIDERING, | |
|) | CASE NO. 13 |
| APPLICATION RANGE OPERATING NEW | |
| MEXICO, INC. FOR APPROVAL OF ITS EAST | |
| LOVING-DELAWARE LEASEHOLD) | |
| WATERFLOOD PROJECT INCLUDING SIX | |
| INJECTION WELLS TO BE LOCATED AT | |
| UNORTHODOX WELL LOCATIONS AND TO | |
| QUALIFY THIS PROJECT FOR THE | |
| RECOVERED OIL TAX RATE PURSUANT TO | |
| THE "NEW MEXICO ENHANCED OIL) | |
| RECOVERY ACT," LEA COUNTY NEW | |
| MEXICO, | |
| | |

PRE-HEARING STATEMENT OF JOHN DRAPER BRANTLEY, JR., CLAIBOURNE M. POWER, MERLAND, INC., WILL MATTHEW BRANTLEY AND JOHNNY REID

Martin Law Firm

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W. T. Martin, Jr. 509 W. Pierce St. P.O. Box 2168 Carlsbad, NM 88221-2168 (505) 887-3528 Fax (505) 887-2136 e-mail: <u>martinlaw@zianet.com</u> COME NOW John Draper Brantley, Jr., Claibourne M. Power, Merland, Inc., a New Mexico corporation, Will Matthew Brantley and Johnny Reid ("Protestants") by and through their attorney, W. T. Martin, Jr., of Martin Law Firm, and for their protest state:

- All parties names are stated above and are represented by W. T. Martin, Jr., of Martin Law Firm, 509 W. Pierce St., P.O. Box 2168, Carlsbad, New Mexico 88221 2168, Phone (505) 887-3528.
- 2. Each of the parties are farmers and/or ranchers in the Carlsbad Basin. John Draper Brantley, Jr., Will Matthew Brantley and Johnny Reid each own ground water rights and have wells within one quarter to one-half mile from the proposed injection wells. The injection wells are near the Pecos River. All the water rights and wells are shallow alluvial water wells with direct relationship to the Pecos River and its flow. Any pumping of water or injection of water into the injection well can potentially affect the wells and the Pecos River if there is a casing leak due to poor cement job or deterioration of the casing over a period of time. Protestants have first hand knowledge of casing leaks in Eddy and Lea Counties of New Mexico and Culberson and Reeves Counties of Texas where this exact problem has arisen and completely contaminated fresh water supply. There have been numerous suits and case law, but those suits and the case law does not restore fresh water. The only way to insure that such a result does not occur is to not allow salt water injection in wells close to fresh water supply and the Pecos River.

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- 3. John Draper Brantley, Jr., Claibourne M. Power, Johnny Reid and Merland, Inc., own mineral interests in the area of the proposed injection wells. The proposed injection wells will have a direct effect on each of their mineral interests.
- 4. The same type issue or problem arose in the *Application of RB Operating Company, Oil Conservation Division Case No. 1313.* The Application was approved with a provision or settlement agreement that testing, sampling and reporting to the Protestants, that included John Draper Brantley and Johnny Reid, would periodically occur. Contrary to the settlement that has not occurred. Protestants are insistent that should there be approval of the Application in this case an enforced sampling and reporting program be a part of any approval by the Oil Conservation Division. Such sampling and testing is imperative for the protection of the Protestants' interests.
- 5. Witnesses that may be present and may be called are: Draper Brantley, Jr., Johnny Reid, Will Matthew Brantley and an officer or representative of Merland, Inc.
- 6. Protestants estimate the time for hearing to be approximately one (1) hour.
- 7. Protestants are not aware of any procedural matters that are in need of resolving.

Martin Law Firm By W. T. Martin, Jr.

W. 1. Martin, Jr. 509 W. Pierce St. P.O. Box 2168 Carlsbad, NM 88221-2168 (505) 887-3528 Fax (505) 887-2136 e-mail: <u>martinlaw@zianet.com</u> Attorney for Protestants

Martin Law Firm certifies that a copy of the foregoing pleading was e-mailed, faxed and mailed to opposing counsel of record on the 3rd day of May 2006.

210 W.T. Martin, Jr.