

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11635
Order No. R-10767

APPLICATION OF THE NEW MEXICO
OIL CONSERVATION DIVISION TO
ENACT A NEW RULE ESTABLISHING
METHODS AND STANDARDS FOR THE
PREVENTION AND ABATEMENT OF
WATER POLLUTION ASSOCIATED
WITH OPERATIONS IN THE OIL AND
GAS INDUSTRY.

PRE-HEARING STATEMENT

El Paso Natural Gas Company, Giant Industries Arizona, Inc., Marathon Oil Company and PNM Gas Services ("Applicants"), have filed applications for rehearing in this case (i) to correct findings concerning the regulation of certain "downstream" facilities listed in Section 70-2-12.B(22) NMSA and (ii) to modify the appeals provisions of new Rule 19.M(1).

The attorney for Applicants will be Louis W. Rose of Montgomery & Andrews, P.A. His presentation will last approximately 15 minutes. He will introduce two exhibits, labeled Applicants' Exhibits 1 and 2, proposing corrected findings and modified regulatory language respectively. Copies of these exhibits are attached to this Statement.

Respectfully submitted,

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by: 
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Pre-Hearing Statement was sent by first class mail on this 4th day of April, 1997 to each of the following persons:

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APPLICANTS' PROPOSED CORRECTIONS TO FINDINGS

Modification to Finding 8:

(8) In a progress Report dated February 1, 1996, the Committee recommended that the Commission adopt Rule 19 that addresses methods and standards for the prevention and abatement of water pollution associated with operations in the oil and gas industry by incorporating the same provisions as those in relevant portions of the WQCC Regulations to accomplish the following: . . .

Additional Finding 9 (with subsequent finds re-numbered):

(9) At the public hearing, the Committee recommends that no distinction be made between oil and gas industry activities described at Section 70-2-12.B (21) NMSA, as amended, and oil and gas industry activities described at Section 70-2-12.B (22) NMSA, as amended. The Committee recommends that the Commission adopt Rule 19 and that Rule 19 apply equally to both B (21) and B (22) activities.

APPLICANTS' PROPOSED MODIFICATION TO NEW RULE 19.M(1)

(1) If the Director determines that (i) an abatement plan is required pursuant to 19 NMAC 15.C.116.D or 19 NMAC 15.A.19.D.(2), (ii) approves or provides notice of deficiency of a proposed abatement plan, technical infeasibility demonstration or abatement completion report, or (iii) modifies or terminates an approved abatement plan, he shall provide written notice of such action by certified mail to the responsible person and any person who participated in the action.

Applicants' Exhibit 2