

**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 I, FOR AN ORDER DETERMINING THAT ORBIT ENERGY INC. KNOWINGLY AND WILLFULLY VIOLATED 19.15.4.201 NMAC; REQUIRING ORBIT ENERGY INC. TO BRING FIVE WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC; ASSESSING APPROPRIATE CIVIL PENALTIES; AND IN THE EVENT OF NON-COMPLIANCE, AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCES; ROOSEVELT COUNTY, NEW MEXICO.

CASE NO. 13373

PRE-HEARING STATEMENT

This entry of appearance and pre-hearing statement is submitted by the applicant, the Conservation Division.

APPEARANCES

APPLICANT

Oil Conservation Division

APPLICANT'S ATTORNEY

Gail MacQuesten
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505) 476-3451

OPPONENTS

Orbit Energy Inc.

OPPONENTS' ATTORNEY

No appearance has been entered

STATEMENT OF THE CASE

APPLICANT

Orbit Energy Inc. is the operator of record for five inactive wells located in Roosevelt County, New Mexico.

All five wells have been inactive for a continuous period exceeding one year plus 90 days, and have not been plugged and abandoned or placed on temporary abandonment status. The Applicant files this action under rule 101, seeking an order requiring the operator to bring the wells into compliance with rule 201 by a date certain, imposing a penalty on the operator if it fails to do so, and authorizing the Division to plug the wells and forfeit the applicable financial assurances.

The Division contacted this operator on a number of occasions in an attempt to obtain voluntary compliance. The operator's failure to comply, after repeated requests by the Division, constitutes a knowing and willful violation of rule 201. For this reason, the Division also seeks a penalty based on the operator's failure to comply with rule 201 to date.

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OPPONENTS

The operator has not entered an appearance in this case.

PROPOSED EVIDENCE

APPLICANT

WITNESS:

ESTIMATED TIME:

Chris Williams or Billy Prichard

10 min.

Dorothy Phillips

5 minutes, or by affidavit

Jane Prouty

by affidavit

PROCEDURAL MATTERS

None.

Respectfully submitted,
This 12th day of November, 2004 by



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Attorney for the Oil Conservation Division