

**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 REQUIRING TAHOE ENERGY INC. AND KENNETH A. FREEMAN DBA TAHOE ENERGY INC. TO BRING ONE WELL INTO COMPLIANCE WITH 19.15.4.201 NMAC, ASSESSING AN APPROPRIATE CIVIL PENALTY IN THE EVENT OF NON-COMPLIANCE, AUTHORIZING THE DIVISION TO PLUG SAID WELL AND ORDERING A FORFEITURE OF THE APPLICABLE PLUGGING BOND; LEA COUNTY, NEW MEXICO.

CASE NO. 13354

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

Tahoe Energy Inc.
Kenneth A. Freeman
Underwriters Indemnity Company

OPPONENTS' ATTORNEY

No appearance has been entered
No appearance has been entered
No appearance has been entered.

STATEMENT OF THE CASE

APPLICANT

Tahoe Energy Inc. (Tahoe) is the operator of record for the Brownlee #1 well, located in Lea County, New Mexico. The \$50,000 blanket bond covering this well identifies the principal as "Kenneth A. Freeman dba Tahoe Energy Inc." The well has been inactive for over twenty years, and has not been plugged or put on temporary abandonment status.

The Division filed this application pursuant to 19.15.3.101.M NMAC, seeking an order requiring Tahoe Energy Inc. and/or Kenneth A Freeman to bring the well into compliance with rule 201 by plugging the well, placing it on temporary abandonment status, or returning it to a Division-approved beneficial use by a date certain, authorizing the Division to plug the well in the event of noncompliance, and authorizing the Division to forfeit the financial assurance posted for the well.

OPPONENTS

Neither Tahoe Energy Inc, Kenneth A. Freeman, nor Underwriters Indemnity Company has entered an appearance in this case.

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PROPOSED EVIDENCE

APPLICANT

WITNESS:

ESTIMATED TIME:

Chris Williams or Billy Prichard

5 min.

Dorothy Phillips

5 min.

Jane Prouty

by affidavit

PROCEDURAL MATTERS

None.

Respectfully submitted,
This 15th day of October, 2004 by



Gail MacQuesten
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Attorney for the Oil Conservation Division