

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

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

CASE NO. 12792

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
THROUGH THE SUPERVISOR OF DISTRICT I, FOR AN ORDER REQUIRING
KELLY H. BAXTER TO PROPERLY PLUG SEVEN (7) WELLS, IMPOSING
CIVIL PENALTIES IN EVENT OF FAILURE TO COMPLY, AUTHORIZING
THE DIVISION TO PLUG SAID WELLS AND ORDERING A FORFEITURE OF
APPLICABLE PLUGGING BOND; LEA COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by the Oil Conservation Division as required by Rule 1208.B.

APPEARANCES OF PARTIES

APPLICANT

New Mexico Oil Conservation Division

ATTORNEY

David K. Brooks
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New Mexico
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RESPONDENT

Kelly H. Baxter

ATTORNEY

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STATEMENT OF THE CASE

Applicant will show that respondent-operator has seven (7) wells in NMOCD District I that are not in compliance with Division Rule 201, in that such wells have been continuously inactive for periods in excess of one year, and have not been returned to production or beneficial use, plugged and abandoned, or temporarily abandoned within ninety (90) days after expiration of one year of inactivity. Applicant will show that Respondent filed C-103s almost a year ago indicating an intention to temporarily abandon these wells, but has never done the necessary work, and that the wells should be plugged and abandoned. Also to be considered will be the penalties that should be assessed if Applicant is ordered to plug the subject wells and fails to do so.

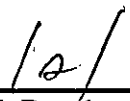
PROPOSED EVIDENCE

<u>WITNESS</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Billy Prichard	20 min.	21
Jane Prouty	5 min.	1
Dorothy Phillips	5 min.	1

PROCEDURAL MATTERS

None known at this time.

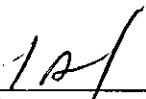
RESPECTFULLY SUBMITTED,



David K. Brooks
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Resources Department of the State of
New Mexico
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Conservation Division

CERTIFICATE OF SERVICE

I hereby certify that a copy of this Pre-Hearing Statement has been served on counsel of record for Respondent by facsimile transmission on this 7th day of January, 2002.



David K. Brooks