

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

RECEIVED OCD  
2017 FEB -9 P 3:51

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION  
COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE ORDER  
AGAINST DAVID H. ARRINGTON OIL & GAS, INC., FOR WELLS OPERATED  
IN LEA, EDDY, CHAVES, AND SAN JUAN COUNTY, NEW MEXICO.**

**CASE NO. 15624**

**PRE-HEARING STATEMENT**

Applicant New Mexico Oil Conservation Division Compliance and Enforcement Bureau ("Bureau") is seeking an order declaring:

1. That operator David H. Arrington Oil & Gas Inc. ("Arrington" or "Operator") is out of compliance with 19.15.5.9, 19.15.8.9 and 19.15.25.8 NMAC;
2. That Operator return to compliance with 19.15.5.9, 19.15.8.9 and 19.15.25.8 NMAC by a date certain;
3. In the event of non-compliance, finding the Operator in violation of a Division Order for each day after the deadline established in the sought order to obtain compliance, declaring the wells abandoned, and authorizing OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E)..

The OCD supports the approval of the compliance order because of the following:

1. Notice of Hearing was properly served as required by 19.15.4.9 and 19.15.4.10 NMAC.
2. Operator is currently the operator of record of thirty-eight (38) wells ("subject wells") in Lea, Eddy, Chaves, and San Juan Counties.
3. Operator has seven (7) wells that require additional financial assurance pursuant to 19.15.8.9(C) NMAC.
4. Operator currently has thirteen (13) wells out of a total of thirty-eight (38) wells out of compliance with 19.15.25.8 NMAC, exceeding the amount allowed under 19.15.5.9(A)(4) NMAC.

## PETITIONERS'S PROPOSED EVIDENCE

WITNESS:

ESTIMATED TIME: 15 minutes

Daniel Sanchez, NMOCD Compliance & Enforcement Manager  
Testimony on Operator and OCD records.

## PROCEDURAL MATTERS

None.

Respectfully submitted  
February 9, 2017 by



Keith W. Herrmann  
Energy, Minerals and Natural  
Resources Department  
1220 S. St. Francis Drive  
Santa Fe, NM 87505  
(505) 476-3463  
(505) 476-3462 (fax)  
Email: *Keith.Herrmann@state.nm.us*  
*Attorney for the Oil Conservation Division*  
*Compliance and Enforcement Bureau*

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was sent electronically to the following party on February 9, 2017:

Michael H. Feldewert  
Jordan L. Kessler  
Attorneys for David H. Arrington Oil & Gas Inc.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
mfeldewert@hollandhart.com  
jlkessler@hollandhart.com

  
Keith W. Herrmann