

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

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APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION  
COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE ORDER  
AGAINST CANO PETRO OF NEW MEXICO, INC., FOR WELLS OPERATED IN  
CHAVES COUNTY, NEW MEXICO.

CASE NO. 15646

PRE-HEARING STATEMENT

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

1. That Cano Petro of New Mexico, Inc., ("Cano Petro of New Mexico, Inc." or "Operator") is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14.
2. That Operator must comply with OCD Rules within 30 days of the issuance of a Division order.
3. If Operator does not comply with Division order, finding that Operator is out of compliance with a Division order.

The Bureau supports the approval because of the following:

1. Notice of Hearing was properly served as required by 19.15.4.9 NMAC and 19.15.4.10 NMAC.
2. The Bureau will present evidence that Operator currently has 8 wells out of compliance with Division Rule 19.15.8 NMAC.

## PETITIONERS'S PROPOSED EVIDENCE

**WITNESS:**

**ESTIMATED TIME:** 5 minutes

Denise Gallegos, NMOCD Bond Administrator

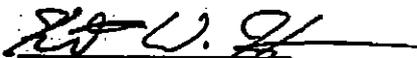
Testimony on compliance with OCD Financial Assurance Requirements.

The Bureau reserves the right to call additional witnesses not listed herein on rebuttal.

## PROCEDURAL MATTERS

None.

Respectfully submitted  
this 23 day of March, 2017 by



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*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 March 23, 2017:

Carol McNern  
Cano Petro of New Mexico  
via email: *carol.mcnern@nbiservices.com*



Keith W. Herrmann