STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OF 3.2

2017 AUG 24 P 3: 26

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE ORDER AGAINST SPENCE ENERGY CO., FOR A WELL OPERATED IN LEA COUNTY, NEW MEXICO.

CASE NO. <u>15803</u>

PRE-HEARING STATEMENT

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

- 1. That Spence Energy Co., ("Spence Energy Co." 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 1 well 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 24 day of August, 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 August 24, 2017:

No party has entered an appearance.

Keith W. Herrmann

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