

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

2006 JUN 15 PM 12:34

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR AN ORDER REQUIRING CBS OPERATING CORP. TO BRING INACTIVE WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC; AUTHORIZING THE DIVISION TO PLUG THE WELLS AND FORFEIT THE APPLICABLE SECURITY IN THE EVENT THE OPERATOR FAILS TO COMPLY; AND ASSESSING AN APPROPRIATE CIVIL PENALTY; EDDY COUNTY, NEW MEXICO.**

**CASE NO. 13721**

**ENTRY OF APPEARANCE AND  
PRE-HEARING STATEMENT**

This entry of appearance and pre-hearing statement is submitted by the Applicant, the Oil 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  
FAX: 476-3462

**STATEMENT OF THE CASE**

The Oil Conservation Division (OCD) moves for an order requiring CBS Operating Corp. to bring 34 inactive wells into compliance with Rule 201 by a date certain and, if the operator fails to comply, assessing a civil penalty and authorizing the Division to plug the wells and forfeit the applicable security.

**APPLICANT'S PROPOSED EVIDENCE**

WITNESS:

1. Daniel Sanchez, Enforcement and Compliance Manager

ESTIMATED TIME:

20 min.

- |  |                |
|--|----------------|
| 2. Dorothy Phillips, Financial Assurance Administrator | (by affidavit) |
| 3. Van Barton, OCD District 2                          | 10 minutes     |
| 4. Tim Gum, OCD District 2                             | 10 minutes     |
| 5. Gerry Guye, OCD District 2                          | 45 minutes     |

### PROCEDURAL MATTERS

The OCD has one other compliance case pending against CBS Operating Corp.: Case No. 13720. The OCD respectfully suggests that the cases be heard concurrently, as the evidence in both cases will overlap. The time estimates given above assume the cases are heard together.

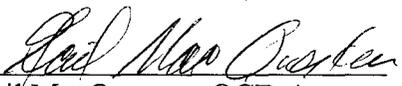
Respectfully submitted  
this 15<sup>th</sup> day of June 2006 by

  
Gail MacQuesten  
Oil Conservation Division  
Energy, Minerals and Natural  
Resources Department  
1220 S. St. Francis Drive  
Santa Fe, NM 87505  
(505) 476-3451

### Certificate of Service

I hereby certify that on June 15, 2006, I served a copy of this pre-hearing statement on Mr. William F. Carr, attorney for CBS Operating Corp, by electronic mail ([wcarr@hollandhart.com](mailto:wcarr@hollandhart.com)), and on Trinity Universal Insurance Co. by first class mail to the following address:

Trinity Universal Insurance Co.  
P.O. Box 655028  
Dallas, TX 75265

  
Gail MacQuesten, OCD Attorney