

**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. 13720

**APPLICATION OF THE NEW MEXICO OIL
CONSERVATION DIVISION FOR A COMPLIANCE
ORDER AGAINST CBS OPERATING CORP.**

2006 JUN 15 PM 3 42

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

New Mexico Oil Conservation Division

OPPOSITION

ATTORNEY

CBS Operating Corp.
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STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order determining that the operator knowingly and willfully violated 19.15.9.703 NMAC, imposing civil penalties, requiring

operator to bring the wells into compliance with 19.15.9.703 NMAC or plug the wells by a date certain, and in the event of non-compliance, authorizing the Division to forfeit the applicable financial assurance and plug and abandon the wells.

OPPOSITION

Pitch Energy Corporation owns working interest in the E/2 of Section 25, Township 18 South, Range 26 East, NMPM, that WJP Exploration seeks to pool. Pitch opposes this application because WJP Exploration has failed to undertake good faith efforts to reach a voluntary agreement with Pitch for the development of the subject spacing units.

PROPOSED EVIDENCE

OPPOSITION

WITNESSES
(Name and Expertise)

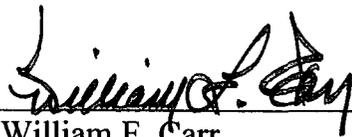
ESTIMATED TIME

EXHIBITS

None planned at this time.

PROCEDURAL MATTERS

CBS Operating Corp. has none at this time.



William F. Carr
Attorney for CBS Operating Corp.

CERTIFICATE OF SERVICE

I certify that on June 15, 2006 I served a copy of the foregoing document to the following by

- U.S. Mail, postage prepaid
- Hand Delivery
- Fax
- Electronic Service by LexisNexis File & Serve

Gail MacQuesten, Esq.
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