

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST C & D MANAGEMENT COMPANY D/B/A FREEDOM VENTURES COMPANY, FINDING THAT THE OPERATOR KNOWINGLY AND WILLFULLY VIOLATED 19.15.13.1115 NMAC AND KNOWINGLY AND WILLFULLY VIOLATED 19.15.4.201 NMAC; ASSESSING PENALTIES; REQUIRING OPERATOR TO BRING SAID WELLS INTO COMPLIANCE WITH 19.15.13.1115 NMAC AND 19.15.4.201 NMAC BY A DATE CERTAIN; AND IN THE EVENT OF NON-COMPLIANCE, DECLARING THE WELLS ABANDONED AND AUTHORIZING THE DIVISION TO PLUG THE WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE, EDDY COUNTY, NEW MEXICO.

CASE NO. 14055 De Novo
ORDER NO. R-12913

PRE-HEARING STATEMENT

This Pre-hearing Statement is submitted by C & D Management Company d/b/a Freedom Ventures Company by and through its undersigned counsel, Ernest L. Padilla, Padilla Law Firm, P.A., as required by the Oil Conservation Commission.

APPEARANCES OF PARTIES

ATTORNEY

APPLICANT:

OIL CONSERVATION DIVISION

Sonny Swazo, Esq.,
Oil Conservation Division
1220 S. St. Francis Dr.
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(505) 476-3451
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200 JUN 12 PM 4 07

OPPOSITON OR OTHER PARTY:

C & D MANAGEMENT COMPANY D/B/A
FREEDOM VENTURES COMPANY

Ernest L. Padilla
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Post Office Box 2523
Santa Fe, New Mexico 87504
(505) 988-7577
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STATEMENT OF CASE

APPLICANT:

OPPOSITION OR OTHER PARTY:

C & D Management will present testimony and tender evidence with respect to the compliance issues brought in this matter by the Oil Conservation Division as follows:

1. Even though the OCD has had actual notice of C& D Management's current address in Albuquerque, New Mexico, and had been dealing with C & D Management's new owner, it, nonetheless sent notice of hearing before the Division and other compliance notifications to C & D Management's former owners in Kentucky;
2. C & D Management will present evidence of its asset purchase and assumption of the same corporate name, the temporary management of former owners and their failure to disclose to the current owners the nature and extent of compliance deficiencies with the OCD and the Bureau of Land Management;
3. C & D Management will present evidence of its current compliance efforts, and that, while accumulated regulatory deficiencies must be corrected in compliance with OCD requirements, liabilities or penalty assessments are not the obligation of the current C & D Management ownership.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Unknown

OPPOSITION

Thomas Kaiser

45 min.

(1) Production Reports

- (2) Copies of Plugging Contracts
- (3) Contracts for Integrity Tests
- (4) BLM Bonding Documentation
- (5) Permit requests

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing.)

None

PADILLA LAW FIRM, P.A.



ERNEST L. PADILLA

P.O. Box 2523

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CERTIFICATE OF SERVICE

I hereby certify that I caused a copy of this Pre-Hearing Statement to be served upon

Sonny Swazo, Esq.,
Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505
(505) 476-3451
FAX: 476-3480

and by hand-delivery this 12th day of June, 2008.



ERNEST L. PADILLA