

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

RECEIVED
2008 MAY 1 PM 3 36

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 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

ENTRY OF APPEARANCE AND
PRE-HEARING STATEMENT

The Oil Conservation Division submits this entry of appearance and pre-hearing statement pursuant to OCD Rule 1211 [19.15.14.1211 NMAC].

APPEARANCES

APPLICANT

Oil Conservation Division

APPLICANT'S ATTORNEY

Sonny Swazo
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505) 476-3463
FAX: 476-3462
Email: Sonny.Swazo@state.nm.us

RESPONDENT

C & D Management Company
d/b/a Freedom Ventures Company

Ernest L. Padilla, Esq.
P.O. Box 2523
Santa Fe, NM 87504-2523
(505) 988-7577

STATEMENT OF THE CASE

The Oil Conservation Division seeks a compliance order against C & D Management Company d/b/a Freedom Ventures Company (C & D):

(1) requiring C & D to file all past due C-115 monthly production reports for all its wells by a date certain (C & D has not filed any C-115 monthly production reports for the reporting periods of March 2006 to the present reporting period);

(2) requiring C & D to bring all its inactive wells into compliance with Rule 19.15.4.201 NMAC (Rule 201) by a date certain;

(3) requiring C & D to pay the Four Thousand Dollar \$4,000.00 civil penalty it agreed to pay if it failed to bring 5 specific wells into compliance with Rule 201 by September 15, 2007 (in an Agreed Compliance Order (ACO) C & D agreed to pay a \$4,000.00 civil penalty if it failed to bring the 5 wells into compliance with Rule 201 by September 15);

(4) assessing penalties for C & D's knowing and willful violation of Rule 201 following the expiration of the ACO;

(5) assessing penalties for C & D's knowing and willful violation of Rule 19.15.13.1115 NMAC (C-115 monthly production reports);

(6) authorizing the OCD to plug C & D's inactive wells, forfeit the applicable financial assurance, and restore and remediate the sites if C & D fails to comply with the Commission's Order.

APPLICANT'S PROPOSED EVIDENCE

WITNESS:

ESTIMATED TIME:

Daniel Sanchez
Enforcement and Compliance Manager

45 Minutes

Dorothy Philips
Financial Assurance Administrator

By Affidavit

Jane Prouty
Production and Permitting Supervisor

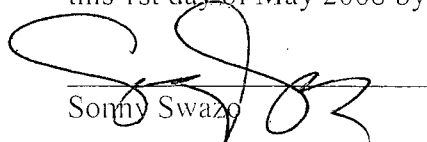
30 Minutes

PROCEDURAL MATTERS

None at this time.

Respectfully submitted

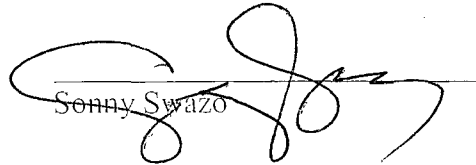
this 1st day of May 2008 by


Sonny Swazo

Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505) 476-3463
Email: sonny.swazo@state.nm.us
Attorney for the Oil Conservation Division

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon Respondent's Attorney, Ernest L. Padilla, Esq., P.O. Box 2523, Santa Fe, NM 87504-2523, by first class mail this 1st day of May 2008:


Sonny Swazo