

FAX COVER SHEET

DATE:

June 6, 2008 (FRIDAY)

TIME: 17:51

TO:

Oil Conservation Division

Gail MacQuesten, Esq..

FAX NUMBER:

(505) 476-3462

RE:

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLAINTS MANAGER, FOR A COMPLIANCE ORDER AGAINST SOUTHWESTERN, INC. REQUIRING OPERATOR TO INCREASE THE AMOUNT OF FINANCIAL ASSURANCE FOR ONE WELL TO MEET CURRENT REQUIREMENTS, FINDING THAT THE OPERATOR IS IN VIOLATION OF 19.15.1.40.A(2) NMAC BASED ON ITS FAILURE TO TAKE THE CORRECTIVE ACTION REQUIRED UNDER ORDER NO. R-12909, AND FORMALLY ASSESSING A PENALTY UNDER ORDER NO. R-12909, LEA COUNTY, NEW MEXICO. (CASE NO. 14135.)

ACTION:

Please find attached Southwestern, Inc.'s **NOTICE OF INTENT TO PRESENT EVIDENCE** for filing in the referenced matter.

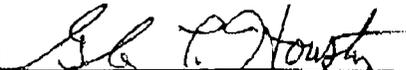
FROM:

Glen L. Houston, Esq., 1304 W. Broadway Place, Hobbs, New Mexico 88240

PHONE NUMBER:

(575) 393-0567 VOICE; (575) 397-1061 FACSIMILE.

TRANSMITTED BY: Rick Robledo, Office Manager/Paralegal



NO. OF PAGES (including cover sheet)

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COMMENTS:

xc: Mr. Rickey L. Hosuton

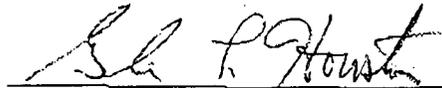
STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST SOUTHWESTERN, INC. REQUIRING OPERATOR TO INCREASE THE AMOUNT OF FINANCIAL ASSURANCE FOR ONE WELL TO MEET CURRENT REQUIREMENTS, FINDING THAT THE OPERATOR IS IN VIOLATION OF 19.15.1.40.A(2) NMAC BASED ON ITS FAILURE TO TAKE THE CORRECTIVE ACTION REQUIRED UNDER ORDER NO. R-12909, AND FORMALLY ASSESSING A PENALTY UNDER ORDER NO. R-12909, LEA COUNTY, NEW MEXICO.

CASE NO. 14135

NOTICE OF INTENT TO PRESENT EVIDENCE

COMES NOW, Southwestern, Inc., and pursuant to 19.15.14.1211.B NMAC, gives notice of its intent to present evidence and testimony that it made good faith efforts to and did comply with the compliance order through the testimony of Rickey L. Houston and Glen L. Houston, 1304 West Broadway Place, Hobbs, NM 88240, (575) 393-0567.



Glen L. Houston
1304 West Broadway Place
Hobbs, NM 88240
(575) 393-0567
Attorney for Southwestern, Inc.

I CERTIFY that on June 6, 2008, I faxed (505.476-3462) the above to

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Gail MacQuesten, Esq.
1220 S. St. Francis Drive
Santa Fe, NM 87505



Glen L. Houston