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 JACKIE BREWER D/B/A SANDLOTT ENERGY, FINDING THAT OPERATOR KNOWINGLY AND WILLFULLY VIOLATED RULE 19.15.3.116 NMAC; ORDERING OPERATOR TO RETURN WELLS TO COMPLIANCE BY A DATE CERTAIN; ORDERING OPERATOR TO PLUG THE WELLS AND AUTHORIZING THE DIVISION TO PLUG THE WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE IF OPERATOR FAILS TO COMPLY WITH THE ORDER; ASSESSING PENALTIES; EDDY COUNTY, NEW MEXICO.

> CASE NO. 14074 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

Sandlott Energy d/b/a Jackie Brewer

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RESPONDENT'S ATTORNEY

Gary W. Larson, Esq. Hinkle, Hensley, Shanor & Martin, L.L.P. 218 Montezuma Santa Fe, NM 87501 Phone: (505) 982-4554 Fax: (505) 982-8623 Email: glarson@hinklelawfirm.com

STATEMENT OF THE CASE

The Oil Conservation Division ("OCD") seeks an order requiring Respondent Sandlott Energy d/b/a Jackie Brewer to comply with OCD Rule 19.15.3.116 NMAC ("Rule 116"), and remediate the historical releases at the 10 subject wells by a date certain.

In addition, OCD seeks an order finding that Respondent knowingly and willfully violated OCD Rule 116 as to the 10 subject wells. OCD is requesting that civil penalties be assessed against Respondent for its knowing and willful violations of OCD Rule 116 as to the 10 subject wells.

In addition, OCD seeks an order requiring Respondent to inspect all of its wells for releases, and to remediate any releases in accord with OCD Rule 116.

* If Respondent fails to remediate the 10 subject wells by the set date, OCD seeks an order requiring Respondent to plug the wells. If Respondent does not plug the wells by the set date, OCD is requesting authorization to plug the wells and forfeit the applicable financial assurance.

APPLICANT'S PROPOSED EVIDENCE

WITNESSES:

ESTIMATED TIME:

Tim Gum Supervisor, OCD District II

Mike Bratcher Compliance Office, District II

Daniel Sanchez Enforcement and Compliance Manager

Dorothy Philips Financial Assurance Administrator

May Call

Gerry Guye (by telephone) Compliance Officer, District II

PROCEDURAL MATTERS

None.

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1 Hour

30 Minutes

By Affidavit

45 Minutes

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Respectfully submitted this 4 day of September 2008 by

and in lar

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 the following by email, fax, and first class mail this \mathcal{A}^{th} day of September 2008:

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in

Sonny Swazo

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