

Received
3-12-2003

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF
APPLICATION OF THE NEW MEXICO OIL CONSERVATION
DIVISION, THROUGH THE ENVIRONMENTAL BUREAU CHIEF,
FOR AN ORDER DETERMINING THE RESPONSIBLE PARTY OR
PARTIES AND ORDERING THE RESPONSIBLE PARTY OR PARTIES
TO CONDUCT DIVISION-APPROVED CORRECTIVE ACTION WITH
RESPONSE TO A HYDROCARBON RELEASE (Gary Johnson Complaint),
LEA COUNTY, NEW MEXICO

CASE NO. 13004

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Miller Stratvert P.A. (J. Scott Hall) on behalf of Shell Exploration and Production Company, ("Shell"), as required by the Oil Conservation Division.

APPEARANCES

APPLICANT'S ATTORNEY

David K. Brooks, Esq.
1220 South St. Francis Drive
New Mexico Oil Conservation Division
Santa Fe, New Mexico 87505

OPPONENT'S ATTORNEY

J. Scott Hall, Esq.
Miller Stratvert P.A.
Post Office Box 1986
Santa Fe, New Mexico 87504-1986

OTHER PARTY'S ATTORNEY

W. Thomas Kellahin, Esq.
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

APPLICANT

NMOCD Environmental Bureau

OPPONENT

Shell Exploration & Production Company

OTHER PARTY

Occidental Permian, Ltd.

Pre-Hearing Statement
NMOCD Case No. 13004
Page 2

Paul R. Owen, Esq.
Montgomery & Andrews P.A
Post Office Box 2307
Santa Fe, New Mexico 87504-2307

Samedan Oil Corporation

STATEMENT OF THE CASE

On March 3, 2000, Mr. Gary Johnson advised the Division of the discovery of apparent hydrocarbon substances 6 inches to 1 foot beneath the surface of his land in the NE/4 of Section 28, T-18-S, R-38-E (the "Subject Lands") in the northern part of Hobbs. On observation, the existence of the substances is not open or obvious. Subsequent to an inconclusive investigation, on January 13, 2003, the Division's Environmental Bureau Chief filed an Application seeking the following specific relief: (1) A determination that three parties, Samedan Oil Corporation, ("Samedan"), Shell Oil Corporation, ("Shell"), and Occidental Permian Ltd., ("Occidental") are "Responsible Persons with respect to the hydrocarbon release"; and (2) that Samedan, Shell and Occidental each, or all of them jointly, be ordered to submit a remediation plan and perform corrective action in accordance with a plan approved by the Division's Environmental Bureau. It is neither alleged, nor is there evidence of any contamination of groundwater.

APPLICANT

Shell Exploration and Production Company specifically denies that it is a Responsible Person or that any releases of hydrocarbon substances occurred on the lands that are the subject of the Application while Shell was Unit Operator of the North Hobbs Unit.

OPPOSITION OR OTHER PARTY

PROPOSED EVIDENCE

APPLICANT

WITNESSES:	Est. Time	No. of Exhibits
------------	-----------	-----------------

OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
Bill Weaver	10 Minutes	4

PROCEDURAL MATTERS

Occidental Permian, Ltd. has filed a Motion to Dismiss.

MILLER STRATVERT P.A.

By: T. J. Scott Hall
J. Scott Hall, Esq.
Post Office Box 1986
Santa Fe, New Mexico 87504
(505) 989-9614

Attorneys for Shell Exploration and Production Company

Certificate of Mailing

I hereby certify that a true and correct copy of the foregoing was delivered to counsel of record on the 10th day of March, 2003, as follows:



J. Scott Hall

David K. Brooks, Esq.
1220 South St. Francis Drive
New Mexico Oil Conservation Division
Santa Fe, New Mexico 87505

Paul R. Owen, Esq.
Montgomery & Andrews P.A.
Post Office Box 2307
Santa Fe, New Mexico 87504-2307

W. Thomas Kellahin, Esq.
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

 *** TX REPORT ***

TRANSMISSION OK

TX/RX NO 1837
 CONNECTION TEL 307#1#1#9822047
 CONNECTION ID
 ST. TIME 03/10 16:56
 USAGE T 01'31
 PGS. SENT 5
 RESULT OK

MILLER STRATVERT P.A.
LAW OFFICES

RANNE B. MILLER
 ALICE T. LORENZ
 GREGORY W. CHASE
 STEPHEN M. WILLIAMS
 STEPHAN M. VIDMAR
 SETH V. BINGHAM
 TIMOTHY R. BRIGGS
 RUDOLPH LUCERO
 DEBORAH A. SOLOVE
 GARY L. GORDON
 LAWRENCE R. WHITE
 SHARON P. GROSS
 VIRGINIA ANDERMAN
 MARTE D. LIGHTSTONE
 J. SCOTT HALL
 THOMAS R. MACK

THOMAS M. DOMME
 RUTH O. PREGENZER
 JEFFREY E. JONES
 ROSS B. PERKAL
 JAMES J. WIDLAND
 BRADLEY D. TEPPER
 ROBIN A. GOBLE
 JAMES R. WOOD
 DANA M. KYLE
 KIRK R. ALLEN
 RUTH FUESS
 H. BROOK LASKEY
 KATHERINE W. HALL
 PAULA G. MAYNES
 MICHAEL C. ROSS
 CARLA PRANDO

KATHERINE N. BLACKETT
 JENNIFER L. STONE
 GARY RISLEY
 M. DYLAN O'REILLY
 JENNIFER D. HALL
 JENNIFER L. OLSON
 TODD A. SCHWARZ
 NELL GRAHAM SALE
 LEONARD D. SANCHEZ
 TIMOTHY L. BUTLER
 MICHELLE K. OSTRYE
 KELSEY D. GREEN
 MARCY BAYSINGER
 DAVID J. MARTIN
 CAROLINE BLANKENSHIP
 MATTHEW S. RAPPAPORT

*licensed in Texas only

ALBUQUERQUE, NM

600 MARQUETTE NW, SUITE 1100
 P.O. BOX 25687 (87125-0687)
 ALBUQUERQUE, NM 87102
 TELEPHONE: (505) 842-1950
 (800) 424-7585
 FACSIMILE: (505) 243-4408

SANTA FE, NM

150 WASHINGTON AVE., SUITE 300
 P.O. BOX 1986 (87504-1986)
 SANTA FE, NM 87501
 TELEPHONE: (505) 989-9614
 FACSIMILE: (505) 989-9657

FARMINGTON, NM

300 WEST ARRINGTON, SUITE 300
 P.O. BOX 869 (87499-0869)
 FARMINGTON, NM 87401
 TELEPHONE: (505) 326-4521
 FACSIMILE: (505) 325-5474

LAS CRUCES, NM

1125 SOUTH MAIN ST., SUITE B
 P.O. BOX 1209 (88004-1209)
 LAS CRUCES, NM 88005
 TELEPHONE: (505) 523-2481
 FACSIMILE: (505) 526-2215

COUNSEL

WILLIAM K. STRATVERT
 JAMES B. COLLINS

PLEASE REPLY TO SANTA FE

FACSIMILE TRANSMISSION COVER SHEET

DATE: March 10, 2003
 TO: David Brooks (505) 476-3462
 Paul R. Owen (505) 982-4289
 W. Thomas Kellahin (505) 982-2047

FROM: J. Scott Hall

OPERATOR: ginny

MESSAGE: Please see attached.

NUMBER OF PAGES INCLUDING COVER SHEET: 5

IF YOU DO NOT RECEIVE THE ENTIRE DOCUMENT, PLEASE CALL OUR SANTA FE
 OFFICE AS SOON AS POSSIBLE AT (505) 989-9614.

 *** TX REPORT ***

TRANSMISSION OK

TX/RX NO 1836
 CONNECTION TEL 307#1#1#9824289
 CONNECTION ID
 ST. TIME 03/10 16:44
 USAGE T 01'20
 PGS. SENT 5
 RESULT OK

MILLER STRATVERT P.A.
 LAW OFFICES

RANNE B. MILLER
 ALICE T. LORENZ
 GREGORY W. CHASE
 STEPHEN M. WILLIAMS
 STEPHAN M. VIDMAR
 SETH V. BINGHAM
 TIMOTHY R. BRIGGS
 RUDOLPH LUCERO
 DEBORAH A. SOLOVE
 GARY L. GORDON
 LAWRENCE R. WHITE
 HARON P. GROSS
 VIRGINIA ANDERMAN
 MARTE D. LIGHTSTONE
 J. SCOTT HALL
 THOMAS R. MACK

THOMAS M. DOMME
 RUTH O. PREGENZER
 JEFFREY E. JONES
 ROSS B. PERKAL
 JAMES J. WIDLAND
 BRADLEY D. TEPPER
 ROBIN A. GOBLE
 JAMES R. WOOD
 DANA M. KYLE
 KIRK R. ALLEN
 RUTH FUESS
 H. BROOK LASKEY
 KATHERINE W. HALL
 PAULA G. MAYNES
 MICHAEL C. ROSS
 CARLA PRANDO

KATHERINE N. BLACKETT
 JENNIFER L. STONE
 GARY RISLEY
 M. DYLAN O'REILLY
 JENNIFER D. HALL
 JENNIFER L. OLSON
 TODD A. SCHWARZ
 NELL GRAHAM SALE
 LEONARD D. SANCHEZ
 TIMOTHY L. BUTLER
 MICHELLE K. OSTRYE
 KELSEY D. GREEN
 MARCY BAYSINGER
 DAVID J. MARTIN
 CAROLINE BLANKENSHIP
 MATTHEW S. RAPPAPORT

*licensed in Texas only

ALBUQUERQUE, NM

500 MARQUETTE NW, SUITE 1100
 P.O. BOX 25687 (87125-0687)
 ALBUQUERQUE, NM 87102
 TELEPHONE: (505) 842-1950
 (800) 424-7585
 FACSIMILE: (505) 243-4408

FARMINGTON, NM

300 WEST ARRINGTON, SUITE 300
 P.O. BOX 869 (87499-0869)
 FARMINGTON, NM 87401
 TELEPHONE: (505) 326-4521
 FACSIMILE: (505) 325-5474

SANTA FE, NM

150 WASHINGTON AVE., SUITE 300
 P.O. BOX 1986 (87504-1986)
 SANTA FE, NM 87501
 TELEPHONE: (505) 989-9614
 FACSIMILE: (505) 989-9857

LAS CRUCES, NM

1125 SOUTH MAIN ST., SUITE B
 P.O. BOX 1209 (88004-1209)
 LAS CRUCES, NM 88005
 TELEPHONE: (505) 523-2481
 FACSIMILE: (505) 526-2215

COUNSEL

WILLIAM K. STRATVERT
 JAMES B. COLLINS

PLEASE REPLY TO SANTA FE

FACSIMILE TRANSMISSION COVER SHEET

DATE: March 10, 2003

TO: David Brooks (505) 476-3462
 Paul R. Owen (505) 982-4289
 W. Thomas Kellahin (505) 982-2047

FROM: J. Scott Hall

OPERATOR: ginny

MESSAGE: Please see attached.

NUMBER OF PAGES INCLUDING COVER SHEET: 5

IF YOU DO NOT RECEIVE THE ENTIRE DOCUMENT, PLEASE CALL OUR SANTA FE
 OFFICE AS SOON AS POSSIBLE AT (505) 989-9614.

 *** TX REPORT ***

TRANSMISSION OK

TX/RX NO 1835
 CONNECTION TEL 307#1#1#4763462
 CONNECTION ID
 ST. TIME 03/10 16:42
 USAGE T 01'19
 PGS. SENT 5
 RESULT OK

MILLER STRATVERT P.A.
 LAW OFFICES

RANNE B. MILLER
 ALICE T. LORENZ
 GREGORY W. CHASE
 STEPHAN M. WILLIAMS
 STEPHAN M. VIDMAR
 SETH V. BINGHAM
 TIMOTHY R. BRIGGS
 HUDOLPH LUCERO
 DEBORAH A. SOLOVE
 GARY L. GORDON
 LAWRENCE R. WHITE
 SHARON P. GROSS
 VIRGINIA ANDERMAN
 MARTE D. LIGHTSTONE
 J. SCOTT HALL
 THOMAS R. MACK

THOMAS M. DOMME
 RUTH O. PREGENZER
 JEFFREY E. JONES
 ROSS B. PERKAL
 JAMES J. WIDLAND
 BRADLEY D. TEPPER
 ROBIN A. GOBLE
 JAMES R. WOOD
 DANA M. KYLE
 KIRK R. ALLEN
 RUTH FUESS
 H. BROOK LASKEY
 KATHERINE W. HALL
 PAULA G. MAYNES
 MICHAEL C. ROSS
 CARLA PRANDO

KATHERINE N. BLACKETT
 JENNIFER L. STONE
 GARY RISLEY
 M. DYLAN O'REILLY
 JENNIFER D. HALL
 JENNIFER L. OLSON
 TODD A. SCHWARZ
 NELL GRAHAM SALE
 LEONARD D. SANCHEZ
 TIMOTHY L. BUTLER
 MICHELLE K. OSTRYE*
 KELSEY D. GREEN
 MARCY BAYSINGER
 DAVID J. MARTIN
 CAROLINE BLANKENSHIP
 MATTHEW S. RAPPAPORT

*licensed in Texas only

ALBUQUERQUE, NM

500 MARQUETTE NW, SUITE 1100
 P.O. BOX 25887 (87125-0687)
 ALBUQUERQUE, NM 87102
 TELEPHONE: (505) 842-1950
 (800) 424-7585
 FACSIMILE: (505) 243-4408

FARMINGTON, NM

300 WEST ARRINGTON, SUITE 300
 P.O. BOX 869 (87499-0869)
 FARMINGTON, NM 87401
 TELEPHONE: (505) 328-4521
 FACSIMILE: (505) 325-5474

SANTA FE, NM

150 WASHINGTON AVE., SUITE 300
 P.O. BOX 1986 (87504-1986)
 SANTA FE, NM 87501
 TELEPHONE: (505) 989-9814
 FACSIMILE: (505) 989-9857

LAS CRUCES, NM

1125 SOUTH MAIN ST., SUITE B
 P.O. BOX 1209 (88004-1209)
 LAS CRUCES, NM 88005
 TELEPHONE: (505) 623-2481
 FACSIMILE: (505) 526-2215

COUNSEL

WILLIAM K. STRATVERT
 JAMES B. COLLINS

PLEASE REPLY TO SANTA FE

FACSIMILE TRANSMISSION COVER SHEET

DATE: March 10, 2003
 TO: David Brooks (505) 476-3462
 Paul R. Owen (505) 982-4289
 W. Thomas Kellahin (505) 982-2047

FROM: J. Scott Hall

OPERATOR: gippy

MESSAGE: Please see attached.

NUMBER OF PAGES INCLUDING COVER SHEET: 5

IF YOU DO NOT RECEIVE THE ENTIRE DOCUMENT, PLEASE CALL OUR SANTA FE
 OFFICE AS SOON AS POSSIBLE AT (505) 989-9614.

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

RECEIVED

MAR 7 2003

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION
FOR THE PURPOSE OF CONSIDERING:**

Oil Conservation Division

**APPLICATION OF THE NEW MEXICO OIL
CONSERVATION DIVISION, THROUGH THE
ENVIRONMENTAL BUREAU CHIEF, FOR AN
ORDER DETERMINING THE RESPONSIBLE
PARTY OR PARTIES AND ORDERING THE
RESPONSIBLE PARTY OR PARTIES TO
CONDUCT DIVISION-APPROVED CORRECTIVE
ACTION WITH RESPECT TO A HYDROCARBON
RELEASE (GARY JOHNSON COMPLAINT)
LEA COUNTY, NEW MEXICO**

CASE NO. 13004

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Occidental Permian Ltd. ("OPL") as required by the New Mexico Oil Conservation Division.

APPEARANCES OF THE PARTIES

APPLICANT

Oil Conservation Division

ATTORNEY

David R. Brooks, Esq.

OPPONENT

Occidental Permian Ltd.

ATTORNEY

W. Thomas Kellahin, Esq.
Carolyn Tillman, Esq.
John Soule, Esq.

Samedan Oil Corporation
Shell Oil Corporation

Paul Owen, Esq.
J. Scott Hall, Esq.

STATEMENT OF THE CASE

As its statement of the case, Occidental Permian Ltd. hereby incorporates by reference its Motion to Dismiss OPL as a responsible party, and supporting brief, as filed on March 5, 2003.

PROPOSED EVIDENCE

WITNESSES

EST. TIME

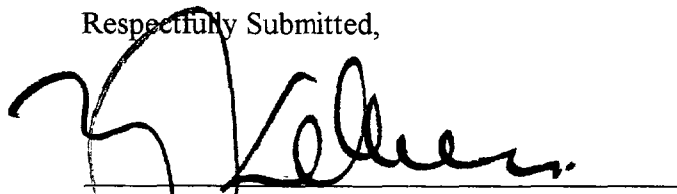
EST. EXHIBITS

Occidental Permian Ltd. is unable to determine witnesses, exhibits and length of direct examination until the Division rules on Occidental Permian Ltd.'s motion, and therefore reserves the right to file an amended prehearing statement after the Division rules on Occidental Permian Ltd.'s motion.

PROCEDURAL MATTERS

Division Examiner decision on Occidental Permian Ltd.'s Motion to Dismiss OPL as a responsible party.

Respectfully Submitted,



W. Thomas Kellahin
KELLAHIN & KELLAHIN