

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

**APPLICATION OF NORDSTRAND ENGINEERING,
INC. TO REMOVE NORTHERN PACIFIC OIL AND
GAS, INC. AS OPERATOR OF RECORD FOR THE
BULL MOOSE 2 STATE COM #001H WELL,
ROOSEVELT COUNTY, NEW MEXICO**

Case No. 23551

SUPPLEMENTAL PRE-HEARING STATEMENT

Nordstrand Engineering, Inc. (“Nordstrand”), provides this Pre-Hearing Statement as required by the Pre-Hearing Order entered on June 5, 2023 and the rules of the New Mexico Oil Conservation Division (“Division”). Nordstrand requests an order approving unilateral change in operator of the Bull Moose 2 State Com #001H well (“Well”) from Northern Pacific Oil and Gas, Inc. (“Northern Pacific”) to Nordstrand or, in the alternative, an order authorizing the Division to plug the Well.

APPEARANCES

APPLICANT:

Nordstrand Engineering, Inc.

APPLICANT’S ATTORNEY:

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OPPOSING PARTY:

Northern Pacific Oil and Gas, Inc.

Northern Pacific Oil and Gas Inc.
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Santa Fe, NM 87505
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OTHER INTERESTED PARTIES

Stephanie Garcia Richard, Comm’r of
Public Lands and the New Mexico State
Land Office

Richard Moore
New Mexico State Land Office
P.O. Box 1148
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STATEMENT OF THE CASE

Nordstrand in the above-styled cause seeks an order from the Division approving a unilateral change in operator from Northern Pacific, OGRID No. 330352, to Nordstrand, OGRID No. 230757, for the Bull Moose 2 State Com #001H well, API# 30-041-20935, located in the S/2 of Section 2, T8S-R37E, Roosevelt County, New Mexico. In the alternative, Nordstrand asks that the Division be authorized to plug and abandon the Well.

Nordstrand was the lessee of record for New Mexico Oil and Gas Lease No. V0-8065-02 (“Lease”) where the Well is located. Nordstrand and Northern Pacific entered into an Assignment and Bill of Sale for the Lease in December 2020. No assignment of the Lease was submitted to or approved by the Commissioner of Public Lands before the Lease was cancelled, and Nordstrand retained record title to the Lease. The New Mexico State Land Office (“NMSLO”) notified Nordstrand that the Lease was cancelled on March 26, 2021. On June 21, 2021, the NMSLO requested that Nordstrand plug the Well and otherwise comply with its contractual, statutory, and regulatory obligations related to the Lease. Subsequently, the Division approved a change of operator of record for the Well from Nordstrand to Northern Pacific. The NMSLO has not received nominations to re-lease the acreage that is the subject of the Lease. On November 2, 2022, the NMSLO again requested that Nordstrand (or Northern Pacific) plug the Well and reclaim the site. Nordstrand has made efforts to have the current operator of record, Northern Pacific, plug and abandon the Well, without success. On February 14, 2023, the Commissioner of Public Lands

initiated a lawsuit against Nordstrand and Northern Pacific in the case styled *Stephanie Garcia Richard, Commissioner of Public Lands of the State of New Mexico v. Nordstrand Engineering, Inc. and Northern Pacific Oil and Gas Inc.*, Case No. D-101-CV-2023-00360 (“Lawsuit”), seeking *inter alia* an injunction requiring Nordstrand and Northern Pacific to plug the Well and reclaim the site. Thereafter, Northern Pacific informed Nordstrand that Northern Pacific would not plug the Well.

Nordstrand is committed to completing reclamation and remediation for the Well with or without the aid of the current operator. Nordstrand intends to plug the Well and reclaim the site and is currently engaged in negotiations with the NMSLO to settle the Lawsuit in light of Nordstrand’s intention to satisfy its obligations under the Lease. Consequently, Nordstrand seeks an order for unilateral change in operator from Northern Pacific to Nordstrand or, in the alternative, an order authorizing the Division to plug the Well.

The material facts are not in dispute. The only disputed issue is whether the Division should approve a unilateral change of operator, in order to allow Nordstrand to plug the well, reclaim the wellsite, and otherwise satisfy its obligations under the Lease.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES	EST. TIME	EXHIBITS
Joe Nordstrand	10 minutes	5-7 ¹

OPPOSING PARTY:

WITNESSES	EST. TIME	EXHIBITS
TBD		

¹ Exhibits, including a narrative of Mr. Nordstrand’s direct testimony, will be filed concurrently.

PROCEDURAL MATTERS

This matter is set for a contested hearing on July 6, 2023. The opposing party, Northern Pacific, has yet to enter an appearance. If there are no objections at the time of hearing, this case will proceed by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: /s/Sharon T. Shaheen

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Attorney for Nordstrand Engineering, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following by electronic mail on June 29, 2023:

Northern Pacific Oil and Gas Inc.
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/s/ Sharon T. Shaheen
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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Santa Fe, NM 87505

QUESTIONS

Action 234624

QUESTIONS

Operator: NORDSTRAND ENGINEERING INC 3229 D'Amico Suite 200 Houston, TX 77019	OGRID: 230757
	Action Number: 234624
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>