

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

APPLICATION OF CANO PETRO OF NEW MEXICO, INC. FOR INCREASED
INJECTION PRESSURES FOR WELLS IN CHAVES COUNTY, NEW MEXICO

CASE NO. 14425

ENTRY OF APPEARANCE AND
PRE-HEARING STATEMENT

The Oil Conservation Division submits this entry of appearance and pre-hearing statement pursuant to OCD Rule 19.15.4.13 NMAC.

APPEARANCES

APPLICANT

Oil Conservation Division

APPLICANT'S ATTORNEY

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Energy, Minerals and Natural Resources
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RESPONDENT

Cano Petro of New Mexico, Inc.

RESPONDENT'S ATTORNEY

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OPPONENT

Gerald D Mathis
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P.O. Box 45
Kenna, NM 88122

OPPONENT'S ATTORNEY

No entry of appearance filed

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STATEMENT OF THE CASE

Cano Petro of New Mexico, Inc. (hereinafter, "Operator") is seeking an order approving increases in the maximum injection pressure for thirty wells.

The OCD enters its appearance to oppose the application based on Operator's non-compliance with OCD rules. The OCD intends to present evidence of Operator's non-compliance with OCD's rules and administrative orders, particularly with regard to its injection wells. The OCD is seeking denial of the application. In the alternative, the OCD is seeking an Order that requires Operator to periodically report back to the hearing examiner on the wells to ensure that Operator is complying with both OCD rules and administrative orders.

APPLICANT'S PROPOSED EVIDENCE

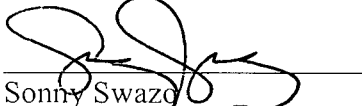
WITNESSES:	ESTIMATED TIME:
Larry Hill District 1 Supervisor (by telephone)	30 Minutes
Maxey Brown District 1 Compliance Officer (by telephone)	30 Minutes
Donna Mull District 1 Compliance Officer (by telephone)	30 Minutes
Daniel Sanchez OCD Enforcement & Compliance Manager	30 Minutes
Jane Prouty OCD Automation & Records Bureau Chief	15 Minutes

PROCEDURAL MATTERS

None at this time.

Respectfully submitted

this 28th day of January 2010 by



Sonny Swazo
Oil Conservation Division

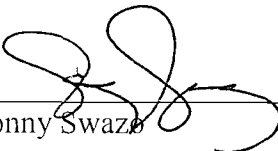
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Attorney for the Oil Conservation Division

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following parties on January 28, 2010:

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