

**STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION**

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION  
COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE ORDER  
AGAINST CANO PETRO OF NEW MEXICO, INC., FOR WELLS OPERATED IN  
CHAVES AND ROOSEVELT COUNTIES, NEW MEXICO.**

**CASE NO. 16359  
ORDER NO. R-14795**

**ORDER SCHEDULING HEARING**

On May 1, 2018, the Oil Conservation Division ("Division") issued Order No. R-14663 in Case No. 16040, granting the Division's Compliance and Enforcement Bureau's request for a compliance order against Cano Petro of New Mexico ("Cano") for violation of 19.15.25.8 and 19.15.5.9(A)(4) NMAC. On May 31, 2018, Cano filed a Request for De Novo Hearing and Request to Stay Division Order No. R-14663. The Oil Conservation Commission ("Commission") has set the matter to be heard on August 20, 2018.

Counsel for the Division's Compliance and Enforcement Bureau appeared before the Commission on July 20, 2018 and notified the Commission that the Bureau would be ready to present Case No. 16040 on the August 20 Commission docket, and would be filing an additional application for hearing seeking a compliance order against Cano for additional violations of the Oil and Gas Act and Rules, and requested the Director to direct the Commission to join Case No. 16040 and the subsequently filed Case No. 16359. On July 23, 2018, the Division submitted its application for hearing in Case No. 16359 to obtain a compliance order against Cano for violations of 19.15.8, 19.15.17, 19.15.29, and 19.15.36 NMAC in Case No. 16359.

Pursuant to NMSA 1978, Section 70-2-6(B) and 19.15.4.20(B) NMAC, a hearing may be held before the Oil Conservation Commission if the Division Director, in her discretion, determines that the Oil Conservation Commission shall hear the matter. Because both cases concern the same parties for similar matters, it is in the interest of administrative efficiency to join Cases 16040 and 16359 and hear the matters concurrently before the Commission. The Division Director has determined that the Oil Conservation Commission shall hear this matter.

**IT IS THEREFORE ORDERED THAT:**

1. A hearing shall be held regarding the Bureau's applications for a compliance order against Cano Petro of New Mexico in Cases 16040 and 16359.
2. The hearing shall be held before the Oil Conservation Commission.

3. The hearing shall be held in Santa Fe, New Mexico beginning at 9:00 a.m. on August 20, 2018 and may continue to August 21, 2018.

4. The hearing shall be conducted according to 19.15.4 NMAC, including the deadlines provided by 19.15.4.10 NMAC regarding entry of appearance, 19.15.4.11 NMAC regarding intervention, and 19.15.4.13 NMAC regarding submittal of pre-hearing statements and exhibits.

DONE at Santa Fe, New Mexico on this 30th day of July, 2018.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

A handwritten signature in blue ink that reads "Heather Riley".

HEATHER RILEY, Chair