

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
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. 16040**

**CASE NO. 16359**

**REQUEST FOR CONTINUANCE**

U.S. Specialty Insurance Company (“US Specialty”), through counsel undersigned, requests that the Commission continue the hearing scheduled for August 21, 2018 until counsel for Cano Petro of New Mexico, Inc., obtains the necessary approval from the United States Bankruptcy Court to appear, participate and represent Cano in support of its Request for Hearing De Novo. This Motion is more fully supported by the following memorandum of points and authorities.

Respondent Cano Petro of New Mexico, Inc. (“Cano”) operates hundreds of oil and gas wells in Chaves and Roosevelt Counties (see paragraph 1 of Application for Compliance Order dated February 20, 2018). U.S. Specialty issued the statutory, single well financial assurance bonds on certain of those wells (see Exhibit 3 to Application for Compliance Order dated February 20, 2018). In response to the Oil Conservation Division Compliance and Enforcement Bureau’s (“Bureau”) Application for Compliance Order, Cano retained attorney Ernest Padilla of the Padilla Law Firm in Santa Fe – Mr. Padilla specializes in oil and gas law and his practice includes appearing in federal and state regulatory agency matters such as the Federal Energy Regulatory Commission, the Interior Board of Land Appeals, New Mexico Oil Conservation Division and the New Mexico Public Regulation Commission.

An evidentiary hearing was held on April 5, 2018 and at which Mr. Padilla, appeared on behalf of Cano. During the hearing Mr. Padilla presented a witness on behalf of Cano (universally praised by the panel) and cross examined witnesses appearing on behalf of the Bureau. On May 1, 2018 the Division issued an Order finding Cano out of compliance, ordering it to return to compliance within 45 days of the date of the Order and that Cano's failure to do so authorized the Division to "plug and abandon the well or wells" that are not in compliance. On May 31, 2018 Mr. Padilla timely submitted a Request for Hearing De Novo on behalf of Cano.

On June 1, 2018 Cano filed a Chapter 11 Voluntary Petition for Bankruptcy in the United States Bankruptcy Court for the Northern District of Oklahoma – Case Number 18-11128-M. To be clear, Cano is a separate and distinct legal entity that filed its own independent and standalone bankruptcy petition – a copy of the first page of that Petition is attached here as an exhibit to verify. While counsel for the Bureau previously downplayed the bankruptcy filing by suggesting the filing involved "Cano's parent company" – see page 2 of the Bureau's Response to Notice of Bankruptcy and Automatic Stay – without dispute Cano itself filed its own Chapter 11 Petition and Cano (and its creditors) are subject to Federal Bankruptcy law.<sup>1</sup> In that Petition, Cano specifically identified the Division as Creditor and included it within the list of "20 Largest Unsecured Claims" – copy of that page also attached as an exhibit. Additionally, within the Schedule requiring it to list assets, Cano identified its interests in the wells located in Chaves and Roosevelt Counties – multiple pages attached as exhibits hereto. In sum, Cano, Cano's creditors and Cano's interests in the wells that are the subject of this compliance matter are firmly planted within the Bankruptcy Estate.

Under black letter bankruptcy law, once Cano filed its voluntary Chapter 11 Petition, it began operating as a debtor in possession with all rights, powers and duties of a trustee in

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<sup>1</sup> Several other distinct, but related entities involving common ownership also filed Petitions. Indeed, each entity filed a separate Petition and was assigned a separate and distinct case number by the Bankruptcy Court. See, Case Numbers 18-11123; 18-11124; 18-11125; 18-11126; 18-11127; 18-11128 and 18-11129 all pending in the Bankruptcy Court for the Northern District of Oklahoma.

bankruptcy. See, 11 U.S.C. §§ 1107, 1108. This includes administering the bankruptcy estates “as a fiduciary for the estate’s creditors.” *Baker Botts L.L.P v. ASARCO, L.L.C.*, 135 S.Ct. 2158 (2015). Bankruptcy cases invoke the court’s role as a regulatory body and contain built-in procedural mechanisms -- “bankruptcy cases are highly-regulated and significant controls regarding professionals have been imposed by Congress in such cases, in part to guard against diversion of a bankruptcy estate’s scarce resources to payment of unnecessary or excessive professional expenses.” *In re Walker Land & Cattle, L.L.C.* 535 B.R. 348, 352 (Bankr. D. Id. 2015). Consequently, the Bankruptcy Code requires court approval for the employment of professional persons in Chapter 11 cases. See, *In re Crafts Retail Holding Corp.*, 378 B.R. 44, 48 (Bankr. E.D.N.Y. 2007)(“it is therefore essential that the bankruptcy formally approve [a professional’s] employment before that [professional] renders services compensable by the estate.”).<sup>2</sup> Mr. Padilla authored an email to counsel for the Bureau (Mr. Herrmann) on August 15, 2018 explaining that he had not yet been approved by the Bankruptcy Court to appear on behalf of Cano in this matter – a copy of that email is also attached hereto. In short, Mr. Padilla correctly noted the limitations on his involvement and advised counsel for the Bureau that without such approval he could not appear or participate in this matter on behalf of Cano.

In the pending matter Cano hired counsel, an attorney specializing in the niche field of oil and gas law, and actively defended the issues raised regarding the allegations of noncompliance at the original hearing. Cano, through its counsel, also timely submitted a Request for Hearing De Novo, prior to Cano filing its Chapter 11 Petition, but now Cano and its counsel are subject to the requirements and restrictions of federal bankruptcy law described above. While Cano unequivocally expressed its intent to challenge the ruling from the original hearing (utilizing counsel specializing in the area) it simply needs additional time in which to obtain the necessary

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<sup>2</sup> Emphasis added.

approvals. Denying Cano the opportunity to present its case based on what can accurately be described as a legal impossibility is a particularly draconian application of “justice”.

These legal logistics also work to the significant detriment of US Specialty. As the surety/secondary obligor, US Specialty depends on the first-hand knowledge, expertise and experience of its bond principal/primary obligor Cano (and its counsel). The May 1, 2018 Order demonstrates that notwithstanding a finding against Cano, that Cano presented witnesses and argument supporting valid defenses to the allegations raised and relief sought. Practically speaking, refusing to continue the hearing when the operator wishes to defend the charges deprive both Cano and US Specialty of any meaningful opportunity to protect their interests, and the outcome of that hearing can be predicted virtual certainty and implicates the most basic concept of due process. Furthermore, no showing has been made that any exigent circumstances exist requiring the hearing to go forward immediately or justifying denying Cano and US Specialty the opportunity to meaningfully participate. In fact, the “Inactive Well List” – Exhibit 2 to the Application for Compliance Order – shows that a substantial number of the wells have been inactive for many, many years. As the Application itself also demonstrates, while the Bureau sent Cano a Notice of alleged noncompliance on June 20, **2017**, and stated it would pursue formal compliance proceedings if Cano took no action within 60 days, the actual Application was not submitted until nearly 9 months later. There is nothing in the history of this matter suggesting a brief continuance would result in a parade of horrors or create any threat to health and safety. US Specialty is not requesting an open ended continuance, and certainly agrees that any continuance be issued for a defined period of time to alleviate any concern the request is sought for any improper purpose.

US Specialty has not received a ruling on the Notice of Bankruptcy and Automatic Stay submitted on August 3, 2018. While the Bureau opposed that Notice, it simply cannot be disputed that whether or not the Bureau is pursuing a “final judgment”, the non-monetary relief sought –

plugging and abandoning the inactive wells – directly implicates and negatively impacts (for all intents and purposes irrevocably) the single largest asset in Cano’s bankruptcy estate. If there is any doubt at all regarding the applicability of the Automatic Stay, a decision should error on the side of caution to account for the real world consideration there is “no going back” once the wells are plugged and abandoned. These wells possess value to the bankruptcy estate and any action that, practically speaking, destroys that value must proceed with caution and with an understanding of the ramifications.

Assuming the Commission decides against the applicability of the Automatic Stay flowing from the pending bankruptcy action, US Specialty requests a continuance of the hearing set for August 20<sup>th</sup> in order to allow Cano the opportunity to obtain the required authorizations from the United States Bankruptcy Court in order to employ its counsel for purposes of representing Cano in this matter.

Respectfully submitted,

JENNINGS STROUSS & SALMON,  
PLC

/s/ *Scott F. Frerichs*

SCOTT F. FRERICHS

One E. Washington St.

Suite 1900Phoenix, AZ 85004

602-262-5853

[sfrerichs@jsslaw.com](mailto:sfrerichs@jsslaw.com)

### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Request for Continuance was served by e-mail to [Keith.Herrmann@state.nm.us](mailto:Keith.Herrmann@state.nm.us) Keith Herrmann, Assistant General Counsel, New Mexico Oil Conservation Division; [daniel.sanchez@state.nm.us](mailto:daniel.sanchez@state.nm.us) Daniel J. Sanchez, EMNRD; [Jim.Griswold@state.nm.us](mailto:Jim.Griswold@state.nm.us) Jim Griswold, EMNRD; [Jjacobsen@nmag.gov](mailto:Jjacobsen@nmag.gov) Jim Jacobsen; [florene.davidson@state.nm.us](mailto:florene.davidson@state.nm.us) Florene Davidson, EMNRD; [Leonard.Lowe@state.nm.us](mailto:Leonard.Lowe@state.nm.us) Leonard Lowe, EMNRD; [bill.brancard@state.nm.us](mailto:bill.brancard@state.nm.us) Bill Brancard, EMNRD; [WilliamV.Jones@state.nm.us](mailto:WilliamV.Jones@state.nm.us) William V. Jones, Hearing Examiner for New Mexico Oil Conservation Division; and [padillalaw@qwestoffice.net](mailto:padillalaw@qwestoffice.net) Ernest Padilla, Counsel for Defendant Cano Petro of New Mexico, Inc., on this 17<sup>th</sup> day of August, 2018.

**/s/ Scott F. Frerichs**  
SCOTT F. FRERICHS

**Fill in this information to identify your case:**

United States Bankruptcy Court for the:

NORTHERN DISTRICT OF OKLAHOMA

Case number (if known)

Chapter 11

☐ Check if this an amended filing**Official Form 201****Voluntary Petition for Non-Individuals Filing for Bankruptcy**

4/16

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name Cano Petro of New Mexico, Inc.

2. All other names debtor used in the last 8 years  
Include any assumed names, trade names and doing business as names

3. Debtor's federal Employer Identification Number (EIN) 20-8564572

4. Debtor's address Principal place of business
823 S. Detroit Ave, Suite 300  
Tulsa, OK 74120

Number, Street, City, State &amp; ZIP Code

Tulsa  
 County

Mailing address, if different from principal place of business

P.O. Box 4470  
Tulsa, OK 74159

P.O. Box, Number, Street, City, State &amp; ZIP Code

 Location of principal assets, if different from principal place of business  
Oil & Gas Assets located in Chaves, New Mexico
Number, Street, City, State & ZIP Code

5. Debtor's website (URL) \_\_\_\_\_

6. Type of debtor

☒ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))☐ Partnership (excluding LLP)☐ Other. Specify: \_\_\_\_\_

Debtor **Cano Petro of New Mexico, Inc.**  
Name

Case number (if known)

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services,	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
NEW MEXICO TAXATION AND REVENUE P.O. BOX 2308 SANTA FE, NM 87504-2308	505-827-0808	Property Tax				\$2,944.00
SOUTHWEST SAFETY SPECIALIST INC P.O. BOX 5169 HOBBS, NM 88241-5169	Scott Magness  575-393-3072	Materials, Goods & Services				\$3,845.00
SOUTHWESTERN WIRELESS P.O. BOX 2528 ROSWELL, NM 88202	Barb Hitt  575-622-9944	Materials, Goods & Services				\$2,119.00
State of New Mexico Oil Conservation Div 1220 South St. Francis Dr. Santa Fe, NM 87505	Aubrey Dunn  505-827-5700	Compliance Order				Unknown
U.S. SPECIALTY INSURANCE BONDS 8350 N. CENTRAL EXPRESSWAY DALLAS, TX 75206	Robert Radcliff  713-355-3100	Bonds/Legal Action				\$2,000,000.00
WASTE MANAGEMENT OF NEW MEXICO PO BOX 78251 PHOENIX, AZ 85062-8251	James C. Fish, Jr., CEO  800-634-8760	Materials, Goods & Services				\$1,008.00



Exhibit 1 to Form 206 - Schedule A/B  
Listing of Oil & Gas Assets

CHAVES COUNTY, NEW MEXICO

TOM TOM ASSETS  
CANO PETRO NEW MEXICO, INC.

Lessor	Lessee	Date	County	State	Book	Page	Land Description
Bureau of Land Management (NM-16637-A)	Marie A. Hicks	5/1/1973	Chaves	NM	Unrecorded		Township 7 South, Range 31 East, N.M.P.M., Section 18: Lots 1, 2, E/2NW/4; Section 27: N/2; Section 28: NE/4, N/2SE/4, SE/4SE/4; Township 8 South, Range 31 East, N.M.P.M., Section 9: NE/4NW/4, W/2NW/4, containing 889.24 acres, more or less
Bureau of Land Management (NM-15015-A)	John Oakason	3/1/1972	Chaves	NM	Unrecorded		Township 7 South, Range 31 East, N.M.P.M., Section 20: E/2SE/4; Section 28: W/2; Section 29: E/2NE/4; Section 33: W/2; Township 8 South, Range 31 East, N.M.P.M., Section 3: Lot 4, containing 840.20 acres, more or less
Bureau of Land Management (NM-15015-B)	John Oakason	3/1/1972	Chaves	NM	Unrecorded		Township 7 South, Range 31 East, N.M.P.M., Section 33: NW/4, containing 160.00 acres, more or less
Bureau of Land Management (NM-046153-A)	Duncan Miller	10/01/1959	Chaves	NM	Unrecorded		Township 7 South, Range 31 East, N.M.P.M., Section 33: E/2; Section 34: ALL; Section 35: S/2, containing 1280.00 acres, more or less
Bureau of Land Management (NM-088748)		3/1/1963	Chaves	NM	Unrecorded		Township 8 South, Range 30 East, N.M.P.M., Section 1: S2NE; Section 1: S2NE; Section 1: Lots 1, 2; Section 24: E2NW, containing 240.01 acres, more or less
Bureau of Land Management (NM-015016)	Virginia A. Wattam	3/1/1972	Chaves	NM	Unrecorded		Township 8 South, Range 31 East, N.M.P.M., Section 6: Lots 1, 3, 5, SWNE, containing 160 acres, more or less

Exhibit 1 to Form 206 - Schedule A/B  
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CHAVES COUNTY, NEW MEXICO

TOM TOM ASSETS  
CANO PETRO NEW MEXICO, INC.

Lessor	Lessee	Date	County	State	Book	Page	Land Description
Bureau of Land Management (NM-048153-A)	Duncan Miller	10/1/1959	Chaves	NM	Unrecorded		Township 7 South, Range 31 East, N.M.P.M., Section 33: E/2; Section 34: ALL; Section 35: S/2, containing 1280.00 acres, more or less
Earl Graves, Agent and Attorney in Fact for T. O. (Oscar) Graves (NM-00218-00)	Continental Land Resources, LLC	7/30/1975	Chaves	NM	Unrecorded		Township 8 South, Range 31 East, N.M.P.M., Section 6: Lots 6, 7, E/2SW/4, SE/4, containing 328.25 acres, more or less
Roetta Graves Keever (NM-00218-00)	Continental Land Resources, LLC	10/8/2007	Chaves	NM	0604	0104	Township 8 South, Range 31 East, N.M.P.M., Section 6: Lots 6, 7, E/2SW/4, SE/4, containing 328.25 acres, more or less
Bobby H. Graves (NM-00218-00)	Continental Land Resources, LLC	9/17/2007	Chaves	NM	0604	0092	Township 8 South, Range 31 East, N.M.P.M., Section 6: Lots 6, 7, E/2SW/4, SE/4, containing 328.25 acres, more or less
Debra D. G. Smith (NM-00218-00)	Continental Land Resources, LLC	9/10/2007	Chaves	NM	0604	0098	Township 8 South, Range 31 East, N.M.P.M., Section 6: Lots 6, 7, E/2SW/4, SE/4, containing 328.25 acres, more or less
Thomas H. Graves (NM-00218-00)	Continental Land Resources, LLC	9/13/2007	Chaves	NM	0604	0100	Township 8 South, Range 31 East, N.M.P.M., Section 6: Lots 6, 7, E/2SW/4, SE/4, containing 328.25 acres, more or less
Dorothy V. Graves (NM-00218-00)	Continental Land Resources, LLC	9/17/2007	Chaves	NM	0604	0094	Township 8 South, Range 31 East, N.M.P.M., Section 6: Lots 6, 7, E/2SW/4, SE/4, containing 328.25 acres, more or less
Sharon N. Graves (NM-00218-00)	Continental Land Resources, LLC	9/17/2007	Chaves	NM	0604	0096	Township 8 South, Range 31 East, N.M.P.M., Section 6: Lots 6, 7, E/2SW/4, SE/4, containing 328.25 acres, more or less

Page 2 of 3

Page 3 of 13

Exhibit 1 to Form 206 - Schedule A/B  
Listing of Oil & Gas Assets

CHAVES COUNTY, NEW MEXICO

TOM TOM ASSETS

CANO PETRO NEW MEXICO, INC.

Lessor	Lessee	Date	County	State	Book	Page	Land Description
Lynn Graves (NM-00218-00)	Continental Land Resources, LLC	10/7/2007	Chaves	NM	0604	0102	Township 8 South, Range 31 East, N.M.P.M., Section 6: Lots 6, 7, E/2SW/4, SE/4, containing 328.25 acres, more or less
Bureau of Land Management (NM-8006/NM-15015)	John Oakason	3/1/1972	Chaves	NM	Unrecorded		Township 7 South, Range 31 East, N.M.P.M., Section 28: W/2, containing 320 acres, more or less

Page 3 of 3

Page 4 of 13

Exhibit 1 to Form 206 - Schedule A/B  
Listing of Oil & Gas Assets

CHAVES COUNTY, NEW MEXICO

CATO ASSETS  
CANO PETRO OF NEW MEXICO, INC.

Lessor	Lessee	Date	County	State	Book	Page	Land Description
Bureau of Land Management (NM-022636)	Emmett D. White	09/01/1957	Chaves	NM	Unrecorded		Township 8 South, Range 30 East, N.M.P.M., Section 22: SW/4; Section 23: SW/4, SW/4SE/4, N/2SE/4; Section 27: ALL; Section 34: W/2, containing 1400.00 acres, more or less
Bureau of Land Management (NM-024136-A)	Vincent Guccia and George E. Conley	05/01/1958	Chaves	NM	Unrecorded		Township 8 South, Range 30 East, N.M.P.M., Section 28: NE/4, SE/4
Bureau of Land Management (NM-025585-B)	Blanche V. White	09/01/1958	Chaves	NM	Unrecorded		Township 9 South, Range 30 East, N.M.P.M., Section 3: Lots 1, 2, 3, 4, S/2N/2, S/2
Bureau of Land Management (NM-071955)	Southwestern Petroleum Corp.	03/01/1960	Chaves	NM	Unrecorded		Township 8 South, Range 30 East, N.M.P.M., Section 13: SW/4NW/4, containing 40.00 acres, more or less
Bureau of Land Management (NM-073394-D)	S. Howard and H. R. Corder	06/01/1960	Chaves	NM	91	397	Township 9 South, Range 30 East, N.M.P.M., Section 4: SW/4; Section 5: Lots 1, 2, S/2NE/4 (NE/4); Section 9: NW/4, containing 479.97 acres, more or less
Bureau of Land Management (NM-0142233)	Robert Baxler	06/01/1961	Chaves	NM	Unrecorded		Township 8 South, Range 30 East, N.M.P.M., Section: SE/4, S/2NE/4; Section: 17: W/4, containing 560.00 acres, more or less
Bureau of Land Management (NM-0155254)	James K. Caldwell	07/01/1961	Chaves	NM	92	37	Township 8 South, Range 30 East, N.M.P.M., Section 33: W/2NE/4, NW/4, S/2; Township 9 South, Range 30 East, N.M.P.M., Section 4: Lots 1, 2, 3, 4, S/2N/2(N/2), containing 880.32 acres, more or less
Bureau of Land Management (NM-0155494)	Bettylee N. Winkler	07/01/1961	Chaves	NM	Unrecorded		Township 8 South, Range 30 East, N.M.P.M., Section 9: NE/4; Section 22: S/2NW/4, containing 240 acres, more or less
Bureau of Land Management (NM-0155494-A)	Bettylee N. Winkler	07/01/1965	Chaves	NM	Unrecorded		Township 8 South, Range 30 East, N.M.P.M., Section 28: SW/4, W/2SE/4; Section 29: SE/4; Section 32: SW/4NE/4, SE/4NW/4, containing 480.00 acres, more or less
Bureau of Land Management (NM-177517)	M. W. Coll	08/01/1961	Chaves	NM	Unrecorded		Township 8 South, Range 30 East, N.M.P.M., Section 14: SW/4; Section 15: SW/4; Section 21: SW/4; Section 23: NW/4, containing 640.00 acres, more or less
Bureau of Land Management (NM-0254700)	Robert E. Fischer	05/01/1962	Chaves	NM	Unrecorded		Township 8 South, Range 30 East, N.M.P.M., Section 12: W/2; Section 32: SE/4NE/4, containing 360 acres, more or less

Exhibit 1 to Form 206 - Schedule A/B  
Listing of Oil & Gas Assets

CHAVES COUNTY, NEW MEXICO

CATO ASSETS  
CANO PETRO OF NEW MEXICO, INC.

Lessor	Lessee	Date	County	State	Book	Page	Land Description
Bureau of Land Management (NM-0276225)	Don O. Bomar	07/01/1962	Chaves	NM	Unrecorded		Township 8 South, Range 30 East, N.M.P.M., Section 22: SE/4; Section 26: NW/4, W/2NE/4, N/2SW/4, SW/4SW/4, containing 520.00 acres, more or less
Bureau of Land Management (NM-0346362)	C. B. Woodman, Jr.	02/01/1963	Chaves	NM	Unrecorded		Township 8 South, Range 30 East, N.M.P.M., Section 28: NW/4; Section 29: E/2NE/4, SW/4NE/4, containing 280.00 acres, more or less
Bureau of Land Management (NM-0354427-A)	Ruth M. Packer	03/01/1963	Chaves	NM	104	776	Township 8 South, Range 30 East, N.M.P.M., Section 9: W/2SE/4; Section 22: N/2NW/4; Section 23: NE/4, containing 320.00 acres, more or less
Bureau of Land Management (NM-0403706)	Abko, Inc.	08/01/1963	Chaves	NM	Unrecorded		Township 8 South, Range 30 East, N.M.P.M., Section: NE/4, containing 160.00 acres, more or less
Bureau of Land Management (NM-044628)	Barbara J. Peterson	10/01/1963	Chaves	NM	Unrecorded		Township 8 South, Range 30 East, N.M.P.M., Section 14: SE/4, containing 160.00 acres, more or less
Bureau of Land Management (NM-9407-A)	Barbara J. Peterson	07/01/1969	Chaves	NM	Unrecorded		Township 9 South, Range 30 East, N.M.P.M., Section 6: W/2SE/4
Bureau of Land Management (NM-25478)	James D. McLean	07/01/1975	Chaves	NM	155	425	Township 8 South, Range 30 East, N.M.P.M., Section 6: SE/4NW/4, NE/4SW/4, E/2SE/4, containing 160.00 acres, more or less
Bureau of Land Management (NM-83589)	Kell New Mexico, Inc.	04/01/1990	Chaves	NM	Unrecorded		Township 8 South, Range 30 East, N.M.P.M., Section 28: SE/4SE/4, NE/4
Bureau of Land Management (NM-69642)	Robert C. Anderson	06/01/1973	Chaves	NM	Unrecorded		Township 9 South, Range 30 East, N.M.P.M., Section 1: W/2SW/4; Section 7: S/2NE/4; Section 10: E/2; Section 11: SW/4, W/2NE/4, SE/4NE/4; Section 14: N/2S/2, SW/4SE/4, S/2SW/4; Section 15: NE/4; Section 17: NW/4;
State of New Mexico (K-3259)	Sun Oil Company	05-21-1963	Chaves	NM	86	93	Township 8 South, Range 30 East, N.M.P.M., Section 16: ALL; containing 640.00 acres, more or less
State of New Mexico (K-3754)	R. Ken Williams	12/17/1963	Chaves	NM	Unrecorded		Township 8 South, Range 30 East, N.M.P.M., Section 2: Lot 4, SW/4NW/4, SW/4, S/2SE/4, NW/4SE/4, containing 360.21 acres, more or less
R.A. Barhyte et ux, Vere Barhyte	Pan American Petroleum Corp.	03/24/1965	Chaves	NM	104	990	Township 8 South, Range 30 East, N.M.P.M., Section 4: SW/4
United States Smelting, Refining and Mining Company	Pan American Petroleum Corp.	04/01/1966	Chaves	NM	108	139	Township 8 South, Range 30 East, N.M.P.M., Section 4: SW/4

Exhibit 1 to Form 206 - Schedule A/B  
Listing of Oil & Gas Assets

CHAVES COUNTY, NEW MEXICO

CATO ASSETS  
CANO PETRO OF NEW MEXICO, INC.

Lessor	Lessee	Date	County	State	Book	Page	Land Description
Marshall and Winston, Inc.	Pan American Petroleum Corp.	01/20/1966	Chaves	NM	102	755	Township 8 South, Range 30 East, N.M.P.M., Section 4: SW/4
Donald Winston, Trustee	Pan American Petroleum Corp.	01/20/1966	Chaves	NM	104	763	Township 8 South, Range 30 East, N.M.P.M., Section 4: SW/4
Douglas D. McKinnon	Pan American Petroleum Corp.	01/20/1966	Chaves	NM	102	761	Township 8 South, Range 30 East, N.M.P.M., Section 4: SW/4
Daphne Cato Baskett, T. H. Cato, Lorene Cato, Calla Cato Wesley, and Jane Cato Berry	Harry LeMaire, Jr.	01/07/1965	Chaves	NM	94	235	Township 8 South, Range 30 East, N.M.P.M., Section 10: SE/4; Section 11: W/2; Section 15: NE/4, containing 640.00 acres, more or less
Daphne Cato Baskett and Calla Cato Wesley	Harry LeMaire, Jr.	01/07/1965	Chaves	NM	95	168	Township 8 South, Range 30 East, N.M.P.M., Section 11: E/2, containing 320.00 acres, more or less
Jane Cato Berry	Harry LeMaire, Jr.	01/07/1965	Chaves	NM	95	160	Township 8 South, Range 30 East, N.M.P.M., Section 11: E/2, containing 320.00 acres, more or less
Thelma Crosby	Harry LeMaire, Jr.	12/05/1964	Chaves	NM	95	50	Township 8 South, Range 30 East, N.M.P.M., Section 3: Lot 1, SE/4NE/4, SE/4NW/4, SE/4; Section 9: W/2, E/2SE/4; Section 10: SW/4; Section 15: NW/4; Section 17: NE/4, N/2SE/4, SE/4SE/4; Section 21: NW/4, containing 1440.25 acres, more or less
Virginia C. Marshall and Frankie Crosby Patterson	Harry LeMaire, Jr.	12/05/1964	Chaves	NM	95	56	Township 8 South, Range 30 East, N.M.P.M., Section 3: Lot 1, SE/4NE/4, SE/4NW/4, SE/4; Section 9: W/2, E/2SE/4; Section 10: SW/4; Section 15: NW/4; Section 17: NE/4, N/2SE/4, SE/4SE/4; Section 21: NW/4, containing 1440.25 acres, more or less
Effie Jane Crosby McDowell	Harry LeMaire, Jr.	12/05/1964	Chaves	NM	95	60	Township 8 South, Range 30 East, N.M.P.M., Section 3: Lot 1, SE/4NE/4, SE/4NW/4, SE/4; Section 9: W/2, E/2SE/4; Section 10: SW/4; Section 15: NW/4; Section 17: NE/4, N/2SE/4, SE/4SE/4; Section 21: NW/4, containing 1440.25 acres, more or less
Virginia Crosby McCarthy	Harry LeMaire, Jr.	12/05/1964	Chaves	NM	95	58	Township 8 South, Range 30 East, N.M.P.M., Section 3: Lot 1, SE/4NE/4, SE/4NW/4, SE/4; Section 9: W/2, E/2SE/4; Section 10: SW/4; Section 15: NW/4; Section 17: NE/4, N/2SE/4, SE/4SE/4; Section 21: NW/4, containing 1440.25 acres, more or less

Exhibit 1 to Form 206 - Schedule A/B  
Listing of Oil & Gas Assets

CHAVES COUNTY, NEW MEXICO

CATO ASSETS  
CANO PETRO OF NEW MEXICO, INC.

Lessor	Lessee	Date	County	State	Book	Page	Land Description
Jennie C. Mooney	Harry LeMaire, Jr.	12/05/1964	Chaves	NM	95	54	Township 8 South, Range 30 East, N.M.P.M., Section 3: Lot 1, SE/4NE/4, SE/4NW/4, SE/4; Section 9: W/2, E/2SE/4; Section 10: SW/4; Section 15: NW/4; Section 17: NE/4, N/2SE/4, SE/4SE/4; Section 21: NW/4, containing 1440.25 acres, more or less
Helen O. Crosby Norville	Harry LeMaire, Jr.	12/05/1964	Chaves	NM	95	62	Township 8 South, Range 30 East, N.M.P.M., Section 3: Lot 1, SE/4NE/4, SE/4NW/4, SE/4; Section 9: W/2, E/2SE/4; Section 10: SW/4; Section 15: NW/4; Section 17: NE/4, N/2SE/4, SE/4SE/4; Section 21: NW/4, containing 1440.25 acres, more or less
John H. Powell	Harry LeMaire, Jr.	12/05/1964	Chaves	NM	95	68	Township 8 South, Range 30 East, N.M.P.M., Section 3: Lot 1, SE/4NE/4, SE/4NW/4, SE/4; Section 9: W/2, E/2SE/4; Section 10: SW/4; Section 15: NW/4; Section 17: NE/4, N/2SE/4, SE/4SE/4; Section 21: NW/4, containing 1440.25 acres, more or less
Late Peryman and Dorothy Miller	Harry LeMaire, Jr.	12/05/1964	Chaves	NM	95	64	Township 8 South, Range 30 East, N.M.P.M., Section 3: Lot 1, SE/4NE/4, SE/4NW/4, SE/4; Section 9: W/2, E/2SE/4; Section 10: SW/4; Section 15: NW/4; Section 17: NE/4, N/2SE/4, SE/4SE/4; Section 21: NW/4, containing 1440.25 acres, more or less
Phillips Investment Corp.	Harry LeMaire, Jr.	12/05/1964	Chaves	NM	95	66	Township 8 South, Range 30 East, N.M.P.M., Section 3: Lot 1, SE/4NE/4, SE/4NW/4, SE/4; Section 9: W/2, E/2SE/4; Section 10: SW/4; Section 15: NW/4; Section 17: NE/4, N/2SE/4, SE/4SE/4; Section 21: NW/4, containing 1440.25 acres, more or less
Diantha Anne Dunn, John Carter Davis and Ravelle Davis Phillips	Harry LeMaire, Jr.	12/05/1964	Chaves	NM	95	52	Township 8 South, Range 30 East, N.M.P.M., Section 3: Lot 1, SE/4NE/4, SE/4NW/4, SE/4; Section 9: W/2, E/2SE/4; Section 10: SW/4; Section 15: NW/4; Section 17: NE/4, N/2SE/4, SE/4SE/4; Section 21: NW/4, containing 1440.25 acres, more or less

Exhibit 1 to Form 206 - Schedule A/B  
Listing of Oil & Gas Assets

CHAVES COUNTY, NEW MEXICO

CATO ASSETS  
CANO PETRO OF NEW MEXICO, INC.

Lessor	Lessee	Date	County	State	Book	Page	Land Description
Thelma Crosby	Shell Oil Company	10/24/1963	Chaves	NM	88	43	Township 9 South, Range 30 East, N.M.P.M., Section 4: SE/4; Section 5: Lots 3, 4, S/2NW/4, (NW/4), SE/4; Section 8: NE/4, plus other lands, containing 1440.00 acres, more or less
Frankie Crosby Patterson, Effie Jane Crosby McDowell, Virginia Crosby McCarthy, Virginia Crosby Marshall, Jeanie C. Mooney, Helen O. Crosby Norville and John N. Powell	Shell Oil Company	10/24/1963	Chaves	NM	89	212	Township 9 South, Range 30 East, N.M.P.M., Section 4: SE/4; Section 5: Lots 3, 4, S/2NW/4, (NW/4), SE/4; Section 8: NE/4, containing 640.25 acres, more or less
Leta Perryman and Dorothy Miller	Shell Oil Company	10/24/1963	Chaves	NM	89	218	Township 9 South, Range 30 East, N.M.P.M., Section 4: SE/4; Section 5: Lots 3, 4, S/2NW/4, (NW/4), SE/4; Section 8: NE/4, containing 640.25 acres, more or less
Phillips Investment Corp.	Shell Oil Company	10/23/1963	Chaves	NM	89	222	Township 9 South, Range 30 East, N.M.P.M., Section 4: SE/4; Section 5: Lots 3, 4, S/2NW/4, (NW/4), SE/4; Section 8: NE/4, containing 640.25 acres, more or less
Revelle Phillips, Diantha Ann Dunn and John C. Davis	Shell Oil Company	01/31/1964	Chaves	NM	90	391	Township 9 South, Range 30 East, N.M.P.M., Section 4: SE/4; Section 5: Lots 3, 4, S/2NW/4, (NW/4), SE/4; Section 8: NE/4, containing 640.25 acres, more or less
United States Smelting, Refining & Mining Company	Shell Oil Company	02/09/1968	Chaves	NM	Unrecorded		Township 9 South, Range 30 East, N.M.P.M., Section 4: SE/4; Section 5: Lots 3, 4, S/2NW/4, (NW/4), SE/4; Section 8: NE/4, containing 640.25 acres, more or less
Mary E. McCormick and David F. McCormick	Petroleum Reserve Corp.	07/09/1974	Chaves	NM	150	136	Township 9 South, Range 30 East, N.M.P.M., Section 8: NE/4NW/4, containing 40.00 acres, more or less
Maxine Martin and Charles W. Martin	Petroleum Reserve Corp.	07/15/1974	Chaves	NM	150	138	Township 9 South, Range 30 East, N.M.P.M., Section 8: NE/4NW/4, containing 40.00 acres, more or less
Spear Brothers Sheep & Cattle Company	Petroleum Reserve Corp.	03/22/1976	Chaves	NM	151	411	Township 9 South, Range 30 East, N.M.P.M., Section 8: NE/4NW/4, containing 40.00 acres, more or less
R. M. Moran and Brenda Anne Moran, R. C. Beveridge and Gerai Beveridge	Petroleum Reserve Corp.	03/22/1976	Chaves	NM	158	562	Township 9 South, Range 30 East, N.M.P.M., Section 8: NE/4NW/4, containing 40.00 acres, more or less



Exhibit 1 to Form 206 - Schedule A/B  
Listing of Oil & Gas Assets

CHAVES COUNTY, NEW MEXICO

CATO ASSETS  
CANO PETRO OF NEW MEXICO, INC.

Lessor	Lessee	Date	County	State	Book	Page	Land Description
Western Reserves Oil Company	Petroleum Reserve Corp.	11/13/1974	Chaves	NM	153	312	Township 9 South, Range 30 East, N.M.P.M., Section 8: NE/4NW/4, containing 40.00 acres, more or less
Russell Fowler and Elisabeth B. Fowler	Petroleum Reserve Corp.	08/16/1974	Chaves	NM	150	640	Township 9 South, Range 30 East, N.M.P.M., Section 8: NE/4NW/4, containing 40.00 acres, more or less
Fred Fowler and Helen S. Fowler	Petroleum Reserve Corp.	08/16/1974	Chaves	NM	150	823	Township 9 South, Range 30 East, N.M.P.M., Section 8: NE/4NW/4, containing 40.00 acres, more or less
Beulah Swift	Petroleum Reserve Corp.	08/16/1974	Chaves	NM	150	825	Township 9 South, Range 30 East, N.M.P.M., Section 8: NE/4NW/4, containing 40.00 acres, more or less
Bill J. Fowler and Virginia L. Fowler	Petroleum Reserve Corp.	08/16/1974	Chaves	NM	150	967	Township 9 South, Range 30 East, N.M.P.M., Section 8: NE/4NW/4, containing 40.00 acres, more or less
Paul W. Fowler and Alice Fowler	Petroleum Reserve Corp.	08/16/1974	Chaves	NM	150	969	Township 9 South, Range 30 East, N.M.P.M., Section 8: NE/4NW/4, containing 40.00 acres, more or less
Lawrence C. Harris	Sinclair Oil & Gas Company	01/21/1966	Chaves	NM	102	589	Township 9 South, Range 30 East, N.M.P.M., Section 15: SE/4; Section 22: NE/4, containing 320.00 acres, more or less
S. W. Lodewick and Laura B. Lodewick	Sinclair Oil & Gas Company	01/21/1966	Chaves	NM	102	591	Township 9 South, Range 30 East, N.M.P.M., Section 15: SE/4; Section 22: NE/4, containing 320.00 acres, more or less
Tenneco Oil Company	Apollo Energy, Inc.	09/14/1987	Chaves	NM	8	94	Township 9 South, Range 30 East, N.M.P.M., Section 15: SE/4; Section 22: NE/4, containing 320.00 acres, more or less
Robert A. Crosby Burkstaller	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	12/09/1975	Chaves	NM	157	288	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)
Thelma Crosby	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	12/09/1975	Chaves	NM	157	290	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)
Robert A. Crosby, Jr.	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	12/09/1975	Chaves	NM	157	292	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)
Effie Jane McDowell	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	12/10/1975	Chaves	NM	157	294	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)
Virginia C. McCarthy	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	12/10/1975	Chaves	NM	157	296	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)

Exhibit 1 to Form 206 - Schedule A/B  
Listing of Oil & Gas Assets

CHAVES COUNTY, NEW MEXICO

CATO ASSETS  
CANO PETRO OF NEW MEXICO, INC.

Lessor	Lessee	Date	County	State	Book	Page	Land Description
Virginia Crosby Marshall	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	12/10/1975	Chaves	NM	157	298	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)
Frankie Crosby Patterson	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	12/11/1975	Chaves	NM	157	300	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)
Richard S. Norville	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	12/15/1975	Chaves	NM	157	302	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)
John Henry Powell	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	12/31/1975	Chaves	NM	157	304	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)
John C. Davis	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	01/03/1976	Chaves	NM	157	306	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)
Leta Perryman	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	01/06/1976	Chaves	NM	157	308	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)
Donald M. Phillips	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	12/30/1975	Chaves	NM	157	389	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)
Diantha Ann Dunn	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	12/30/1975	Chaves	NM	157	391	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)
Revelle Davis Phillips	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	12/30/1975	Chaves	NM	157	393	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)
Carlie Mooney Kranzhor	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	12/16/1975	Chaves	NM	157	823	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)
Lloyd E. Mooney	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	02/25/1976	Chaves	NM	158	322	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)
Richard P. Mooney	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	01/15/1976	Chaves	NM	158	320	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)

Exhibit 1 to Form 206 - Schedule A/B  
Listing of Oil & Gas Assets

CHAVES COUNTY, NEW MEXICO

CATO ASSETS  
CANO PETRO OF NEW MEXICO, INC.

Lessor	Lessee	Date	County	State	Book	Page	Land Description
Sam Wolfson, et al	Don and Elizabeth Ann Murphree, Darrell and Charlotte Jackson	01/15/1976	Chaves	NM	158	602	Township 9 South, Range 30 East, N.M.P.M., Section 6: Lots 1, 2, S/2NE/4 (NE/4)
M. H. McGrath	Shell Oil Company	12/05/1963	Chaves	NM	89	208	Township 9 South, Range 30 East, N.M.P.M., Section 5: SW/4, containing 160.00 acres, more or less
Thelma Ambler Williams	Shell Oil Company	12/05/1963	Chaves	NM	89	226	Township 9 South, Range 30 East, N.M.P.M., Section 5: SW/4, containing 160.00 acres, more or less
Louise McDonald	George A. Moberly	07/19/1966	Chaves	NM	105	134	Township 9 South, Range 30 East, N.M.P.M., Section 5: SW/4, containing 160.00 acres, more or less
Mobil Producing Texas & New Mexico, Inc.	Apollo Energy, Inc.	10/01/1987	Chaves	NM	20	251	Township 9 South, Range 30 East, N.M.P.M., Section 5: SW/4, containing 160.00 acres, more or less
Robert N. Ernst	Kelt Ohio, Inc.	12/22/1993	Chaves	NM	191	406	Township 8 South, Range 30 East, N.M.P.M., Section 4: S/2NW/4
Marletta B. Marr	Kelt Ohio, Inc.	12/22/1993	Chaves	NM	191	408	Township 8 South, Range 30 East, N.M.P.M., Section 4: S/2NW/4
Harry D. Blake	Kelt Ohio, Inc.	12/22/1993	Chaves	NM	191	410	Township 8 South, Range 30 East, N.M.P.M., Section 4: S/2NW/4
Carol E. Cocter	Kelt Ohio, Inc.	12/22/1993	Chaves	NM	191	412	Township 8 South, Range 30 East, N.M.P.M., Section 4: S/2NW/4
Violet B. Pledger Queen, et al, Clarence W. Queen, and John W. Lee	Pan American Petroleum Corp.	03/12/1965	Chaves	NM	95	188	Township 8 South, Range 30 East, N.M.P.M., Section 10: NW/4
Southwest Baptist Theological Seminary	Petroleum Reserve Corp.	08/12/1974	Chaves	NM	150	821	Township 9 South, Range 30 East, N.M.P.M., Section 8: NW/4NW/4
Ora Belle Shelton	Petroleum Reserve Corp.	08/05/1974	Chaves	NM	150	965	Township 9 South, Range 30 East, N.M.P.M., Section 8: NW/4NW/4
Daphne Cato Basket and Jane Cato Berry	Kelt New Mexico, Inc.	09/01/1989	Chaves	NM	66	387	Township 8 South, Range 30 East, N.M.P.M., Section 14: N/2, containing 320 acres, more or less
Damon C. Burkstaller	Kelt New Mexico, Inc.	12/01/89	Chaves	NM	98	425	
Barbara J. Crosby	Kelt New Mexico, Inc.	12/01/89	Chaves	NM	100	598	
Robert A. Crosby	Kelt New Mexico, Inc.	12/01/89	Chaves	NM	100	601	
Roberta Burkstaller	Kelt New Mexico, Inc.	12/01/89	Chaves	NM	98	428	
Douglas B. Burkstaller	Kelt New Mexico, Inc.	12/01/89	Chaves	NM	98	431	
Effie Jane Crosby McDowell	Kelt New Mexico, Inc.	12/1/1989	Chaves	NM	100	594	
Virginia Crosby	Kelt New Mexico, Inc.	12/1/1989	Chaves	NM	100	596	
Betty Atkins	Kelt New Mexico, Inc.	12/1/1989	Chaves	NM	108	485	
Jay Appleton	Kelt New Mexico, Inc.	12/1/1989	Chaves	NM	98	804	

Exhibit 1 to Form 206 - Schedule A/B  
Listing of Oil & Gas Assets

CHAVES COUNTY, NEW MEXICO

CATO ASSETS

CANO PETRO OF NEW MEXICO, INC.

Lessor	Lessee	Date	County	State	Book	Page	Land Description
Malcolm R. Coombes and Harriett A. Coombes	Kelt New Mexico, Inc.	12/1/1989	Chaves	NM	108	487	
James T. Jennings and Frances S. Jennings	Kelt New Mexico, Inc.	12/1/1989	Chaves	NM	105	7	
Bonnie H. Morrison	Kelt New Mexico, Inc.	12/1/1989	Chaves	NM	105	5	
C.A. Patchen and Sylvia B. Patchen	Kelt New Mexico, Inc.	12/1/1989	Chaves	NM	94	689	
Daphne Cato Baskett and Jane Cato Berry	Kelt New Mexico, Inc.	9/12/1989	Chaves	NM	86	387	

**Frerichs, Scott F.**

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**From:** Padilla Law Firm, P.A. <padillalaw@qwestoffice.net>  
**Sent:** Wednesday, August 15, 2018 8:35 AM  
**To:** 'Herrmann, Keith, EMNRD'; Frerichs, Scott F.  
**Cc:** 'Sanchez, Daniel J., EMNRD'; 'Griswold, Jim, EMNRD'; 'Jacobsen, Jim'; 'Davidson, Florene, EMNRD'; 'Lowe, Leonard, EMNRD'; Brancard, Bill, EMNRD  
**Subject:** RE: OCC Cases 16040 and 16359 Pre-Hearing Statement and Exhibits

Keith,

As I explained yesterday, until I am approved as regulatory counsel for Petro Cano by the bankruptcy court in Oklahoma, I cannot comment or otherwise participate in the scheduled hearing set for next Monday before the Commission. Even if the court entered an order today or sometime before Friday, I simply cannot be ready to meaningfully participate in a hearing, other than to request a continuance to allow for preparation for hearing.

Accordingly, I cannot approve or object to your proposed exhibits, nor will I be filing a prehearing statement.

I am adding Bill Brancard, counsel for the Commission, to your addressee list.

Ernie

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**From:** Herrmann, Keith, EMNRD [<mailto:Keith.Herrmann@state.nm.us>]  
**Sent:** Tuesday, August 14, 2018 8:40 PM  
**To:** Padilla Law Firm, P.A.; Frerichs, Scott F.  
**Cc:** Sanchez, Daniel J., EMNRD; Griswold, Jim, EMNRD; Jacobsen, Jim; Davidson, Florene, EMNRD; Lowe, Leonard, EMNRD  
**Subject:** OCC Cases 16040 and 16359 Pre-Hearing Statement and Exhibits

Scott, Ernie:

Enclosed are the prehearing statement and exhibits for OCC Cases 16040 and 16359. Please let me know if you have any issues with the attachments.

Keith Herrmann  
Office of the General Counsel  
Energy, Minerals and Natural Resources Department  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505  
Tel: (505) 476-3463  
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