

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

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE ORDER
AGAINST JIM PIERCE FOR WELLS OPERATED IN EDDY COUNTY, NEW
MEXICO.**

CASE NO. 15590

PRE-HEARING STATEMENT

Applicant New Mexico Oil Conservation Division Compliance and Enforcement Bureau ("Bureau") is seeking an order declaring:

1. That operator Jim Pierce ("Pierce" or "Operator") is out of compliance with 19.15.5.9, 19.15.8.9 and 19.15.25.8 NMAC;
2. That Operator return to compliance with 19.15.5.9, 19.15.8.9 and 19.15.25.8 NMAC by a date certain;
3. In the event of non-compliance, finding the Operator in violation of a Division Order for each day after the deadline established in the sought order to obtain compliance, declaring the wells abandoned, and authorizing OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E)..

The OCD supports the approval of the compliance order because of the following:

1. Notice of Hearing was properly served as required by 19.15.4.9 and 19.15.4.10 NMAC.
2. Operator is currently the operator of record of nine (9) wells ("subject wells") in Eddy County.
3. Operator has seven (7) wells that require additional financial assurance pursuant to 19.15.8.9(C) NMAC.
4. Operator currently has nine (9) wells out of a total of nine (9) wells out of compliance with 19.15.25.8 NMAC, exceeding the amount allowed under 19.15.5.9(A)(4) NMAC.

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OIL CONSERVATION

PETITIONERS'S PROPOSED EVIDENCE

WITNESS:

ESTIMATED TIME: 15 minutes

Daniel Sanchez, NMOCD Compliance & Enforcement Manager

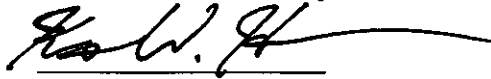
Testimony on Operator and OCD records.

PROCEDURAL MATTERS

None.

Respectfully submitted

November 22, 2016 by



Keith W. Herrmann

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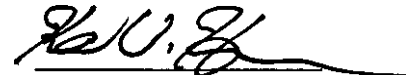
Attorney for the Oil Conservation Division

Compliance and Enforcement Bureau

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was sent electronically to the following party on November 22, 2016:

No party has entered an appearance



Keith W. Herrmann