

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

**IN THE MATTER OF THE APPLICATION OF NEW MEXICO
OIL CONSERVATION DIVISION FOR AN ORDER REQUIRING
TEMPO ENERGY, INC., PETERSON PETROLEUM COMPANY
AND/OR JOE D. PETERSON TO PLUG ONE WELL AND
ORDERING FORFEITURE OF APPLICABLE FINANCIAL
ASSURANCE IN EVENT OF OPERATOR'S NONCOMPLIANCE,
LEA COUNTY, NEW MEXICO**

2007 MAR 8 PM 2 48

**CASE NO. 13711
ORDER NO. R-12659
DE NOVO**

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Miller Stratvert P.A. (J. Scott Hall) on behalf of Tempo Energy, Inc. and Travelers Indemnity Company, as required by the Oil Conservation Commission.

APPEARANCES

APPLICANT'S ATTORNEY

David Brooks
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87404

OPPONENT'S ATTORNEY

J. Scott Hall, Esq.
Miller Stratvert P.A.
Post Office Box 1986
Santa Fe, New Mexico 87504-1986

(No Appearance)

(No Appearance)

APPLICANT

New Mexico Oil Conservation Division
District I Supervisor
1625 North French Drive
Hobbs, New Mexico 88240

OPPONENT

Tempo Energy, Inc.
Travelers Indemnity Company

Peterson Petroleum Company

Joe D. Peterson

STATEMENT OF THE CASE

The Division's District I supervisor has applied for an order under Rule 101 of the Division's Rules and Regulations for a determination that the San Simon State Well No. 6 located in the SE/4NE/4 of Section 4, T22S, R35E should be plugged by the operator. The District I supervisor also seeks the forfeiture of the financial assurance for the well on the determination that the "operator, surety or other responsible party" has failed to or refused to properly plug and abandon the well. The District I supervisor seeks the issuance of a plugging order against Tempo Energy, Inc., the Travelers Indemnity Company, Joe D. Peterson or Peterson Petroleum Company.

The subject well is located on a State of New Mexico oil and gas lease currently operated by EOG Resources, Inc. The well was originally drilled in 1987 by Peterson Petroleum Company. Records obtained from the Division's well file reflect that the original C-101 Application for Permit to Drill and C-102 Well Location and Acreage Dedication Plat were filed in the name of Peterson Petroleum Company of Hobbs, New Mexico but were subsequently altered by unknown persons to reflect the name of Tempo Energy, Inc. Tempo Energy is located in Midland, Texas. The APD fillings are signed by Joe D. Peterson who represented himself as "consulting agent". (See Exhibits A and B attached.)

Tempo Energy and Travelers Indemnity Company will present evidence establishing the following:

1. Tempo Energy did not drill or operate the San Simon State No. 6 Well.
2. Tempo Energy has never owned an interest in the San Simon State No. 6 Well.
3. Tempo Energy has never received any benefits from the subject well.
4. Tempo Energy did not authorize Joe D. Peterson or Peterson Petroleum Company to apply for a drilling permit or make any other regulatory filings for the well in its name.

5. Neither Tempo Energy, Inc. nor Travelers Indemnity Company authorized the use of their financial assurance instrument by Joe D. Peterson or Peterson Petroleum Company.

6. Tempo Energy has never had an address in New Mexico.

7. There is not sufficient evidence to support a determination that Tempo Energy, Inc. is the "owner, operator or responsible party" for the San Simon State No. 6 Well.

8. Joe D. Peterson, individually, is an interest owner of record for the San Simon State No. 6 Well.

PROPOSED EVIDENCE


WITNESSES:	Est. Time	No. of Exhibits
Frank Pannell, Vice President of Operations Tempo Energy, Inc.	30 minutes	11
James Bruce, Esq. Attorney/Title Examination	20 minutes	4
Paul Kautz Division District I Geologist	10 minutes	1

PROCEDURAL MATTERS

None.

MILLER STRATVERT P.A.

By:



J. Scott Hall
Attorneys for Tempo Energy, Inc. and
Travelers Indemnity Company
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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed or hand-delivered to counsel of record on the 8 day of March, 2007, as follows:

David Brooks
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87404



J. Scott Hall