

**MILLER STRATVERT**  
PROFESSIONAL ASSOCIATION

Ranne B. Miller  
Alice T. Lorenz  
Stephen M. Williams  
Stephan M. Vidmar  
Seth V. Bingham  
Timothy R. Briggs  
Rudolph Lucero  
Deborah A. Solove  
Gary L. Gordon  
Lawrence R. White  
Virginia Anderman  
Marte D. Lightstone  
J. Scott Hall\*

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James J. Widland  
Bradley D. Tepper\*\*  
Robin A. Goble  
James R. Wood  
Dana M. Kyle  
Kirk R. Allen  
Ruth Fuess  
H. Brook Laskey  
Paula G. Maynes  
M. Dylan O'Reilly  
Jennifer D. Hall  
Todd A. Schwarz  
Nell Graham Sale  
Scott P. Hatcher

Ann M. Conway  
Randall J. McDonadd  
Robert H. Clark  
Richard L. Alvidrez  
Jennifer L. Stone  
Kelsey D. Green  
Marcy Baysinger  
Caroline Blankenship  
Matthew S. Rappaport  
Karen E. Wootton  
Nicole V. Strauser  
Joseph L. Romero  
Kelly A. Stone  
Derou B. Knoner  
Charlotte Lamont

Patricia A. Bradley  
T. Aaron Garrett  
Amy P. Hauser  
Rebecca M. Alves  
Alisa R. Wigley-DeLara  
W. Scott Jaworski  
Anita M. Kelley  
Elizabeth B. Driggers  
Jerome A. O'Connell  
  
*Of Counsel*  
William K. Stratvert  
James B. Collins  
Sharon P. Gross  
Robert D. Taichert

**Reply to Santa Fe**

150 Washington Ave., Suite 300  
Santa Fe, NM 87501

Mailing Address:  
P.O. Box 1986  
Santa Fe, NM 87504-1986

Telephone: (505) 989-9614  
Facsimile: (505) 989-9857

Writer's Direct E-Mail:  
shall@mstlaw.com

\* Board Certified Specialist: Natural Resources - Oil & Gas Law  
\*\* Board Certified Specialist: Real Estate Law

March 12, 2007

**VIA FACSIMILE**

Florene Davidson  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Case No. 13711: Application of the New Mexico Oil Conservation Division for an Order Requiring Tempo Energy, Peterson Petroleum Company and/or Joe D. Peterson to Plug 1 Well, etc., Lea County New Mexico

Dear Florene:

Attached for filing is a Supplemental Pre-Hearing Statement in the referenced mater which includes Tom Garber as a witness on behalf of Tempo Energy, Inc. Thank you for your assistance.

Very truly yours,

MILLER STRATVERT P.A.

  
J. Scott Hall

JSH/glb  
Enclosure

cc: David Brooks, Esq.

LAW OFFICES

ALBUQUERQUE  
(505) 842-1950

FARMINGTON  
(505) 326-4521

LAS CRUCES  
(505) 523-2481

SANTA FE  
(505) 989-9614

**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**

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

**SUPPLEMENTAL 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 filings 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
Tom Garber Former President, Tempo Energy, Inc.	(Appearing by telephone.)	

#### PROCEDURAL MATTERS

None.

MILLER STRATVERT P.A.

By:

*J. Scott Hall*

J. Scott Hall  
Attorneys for Tempo Energy, Inc. and  
Travelers Indemnity Company  
Post Office Box 1986  
Santa Fe, New Mexico 87504-1986  
(505) 989-9614

#### Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed to counsel of record on the \_\_\_ 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*

J. Scott Hall