

2007 FEB 15 AM 9 38

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

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A
COMPLIANCE ORDER AGAINST B C & D OPERATING, INC. REQUIRING IT
TO RETURN FOUR WELLS TO COMPLIANCE WITH 19.15.4.201 NMAC BY A
DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE,
AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND FORFEIT THE
APPLICABLE FINANCIAL ASSURANCE; LEA COUNTY, NEW MEXICO.**

CASE NO. 13874

**ENTRY OF APPEARANCE AND
PRE-HEARING STATEMENT**

The Oil Conservation Division submits this entry of appearance and pre-hearing statement pursuant to OCD Rule 1211 [19.15.14.1211 NMAC].

APPEARANCES

APPLICANT
Oil Conservation Division

APPLICANT'S ATTORNEY
Gail MacQuesten
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505) 476-3451
FAX: 476-3462

RESPONDENT
BC & D Operating, Inc.

No entry of appearance filed.

STATEMENT OF THE CASE

The Oil Conservation Division (OCD) seeks an order requiring BC & D Operating Inc. (BC & D) to plug and abandon four inactive wells, and authorizing the OCD to plug and abandon the wells if the operator does not do so.

The most recent reports of production or injection are from 2004, with one well last reporting production or injection in 1979. The wells are neither plugged and abandoned nor on approved temporary abandonment status.

The OCD holds a \$50,000 cash blanket bond from BC & D for these wells.

APPLICANT'S PROPOSED EVIDENCE

WITNESS:

ESTIMATED TIME:

Daniel Sanchez, Enforcement and Compliance
Manager

10 min.

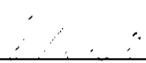
Dorothy Phillips, Financial Assurance Administrator

by affidavit

PROCEDURAL MATTERS

None.

Respectfully submitted
this 14 day of February 2007 by



Gail MacQuesten
Oil Conservation Division
Energy, Minerals and Natural
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(505) 476-3451

Attorney for the Oil Conservation Division

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following by first class mail this 14 day of February 2007:

BC & D Operating Inc.
P.O. Box 1680
Hobbs, NM 88241

BC & D Operating, Inc.
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Attn: Gay Arrington or Mark Ariail

BC & D Operating, Inc.
2225 N. West County Rd.
Hobbs, NM 88241

Gary Don Reagan, Agent
BC & D Operating, Inc.
1819 N. Turner, Suite G
Hobbs, NM 88240

BC & D Operating, Inc.
P.O. Box 5926
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Gail MacQuesten