

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

IN THE MATTER OF THE APPLICATION
OF THE NEW MEXICO OIL CONSERVATION DIVISION
THROUGH THE ENFORCEMENT AND COMPLIANCE
MANAGER, FOR A COMPLIANCE ORDER AGAINST
QUANNAH, INC.

RECEIVED
2008 APR 11 AM 11 37

CASE NO. 14110

PRE-HEARING STATEMENT

This Pre-hearing Statement is submitted by QUANNAH, INC., by and through its undersigned counsel, Ernest L. Padilla, Padilla Law Firm, P.A. as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

ATTORNEY

APPLICANT:

OIL CONSERVATION DIVISION

Gail MacQuesten
Assistant General Counsel
Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505
(505) 476-3451
FAX: 476-3480

OPPOSITON OR OTHER PARTY:

QUANNAH, INC.

Ernest L. Padilla
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STATEMENT OF CASE

APPLICANT:

OPPOSITION OR OTHER PARTY:

Quannah, Inc. will present testimony that it was lawfully performing work at the site where it is accused of illegal dumping. It is the operator of the site for Kevin O. Butler. The work that it was performing was offloading water from a tank so that a valve could be replaced. It used one truck to pump the water from the tank unto another tanker truck so that the work could be done. An employee of Energen, a partner of Kevin O. Butler, who apparently reported the incident was (1) mistaken about the Quannah activities, (2) had no business interfering with Quannah's activites, and (3) acted entirely in bad faith in causing a regulatory investigation to be conducted in this matter.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Louis Edgett	15 minutes	Run tickets and other documentation
Greg Lopez	10 minutes	
Don Buckingham	5 minutes	

OPPOSITION

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing.)

None

PADILLA LAW FIRM, P.A.



ERNEST L. PADILLA

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CERTIFICATE OF SERVICE

I hereby certify that I caused a copy of this Pre-Hearing Statement to be served upon

Gail MacQuesten
Assistant General Counsel
Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505

and by hand-delivery on April 11, 2008.



ERNEST L. PADILLA