

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

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APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST ERS RESOURCES, LLC, FINDING OPERATOR IN VIOLATION OF DIVISION RULE 19.15.4.201 NMAC AS TO THIRTY-TWO WELLS; REQUIRING OPERATOR TO RETURN SAID WELLS TO COMPLIANCE BY A DATE CERTAIN; REQUIRING OPERATOR TO PLUG SAID WELLS AND RESTORE AND REMEDIATE THE WELL SITES IF OPERATOR FAILS TO BRING SAID WELLS TO COMPLIANCE BY A DATE CERTAIN; AND AUTHORIZING THE DIVISION TO FORFEIT THE FINANCIAL ASSURANCE AND PLUG SAID WELLS IN THE EVENT OF OPERATOR'S NON-COMPLIANCE; EDDY COUNTY, NEW MEXICO.

CASE NO. 14078

**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

Sonny Swazo
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Drive
Santa Fe, NM 87505
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RESPONDENT

ERS Resources, LLC

No entry of appearance filed.

STATEMENT OF THE CASE

The Oil Conservation Division ("OCD") is seeking an order finding Respondent ERS Resources, LLC, in violation of OCD Rule 19.15.4.201 NMAC (Rule 201") as to 32 wells; requiring Respondent to return the wells to compliance with OCD Rule 201 by a

date certain; requiring Respondent to plug and abandon the wells if Respondent does not bring the wells into compliance with OCD Rule 201 by a date certain; and authorizing the OCD to plug and abandon the wells and forfeit the applicable financial assurance in the event of Operator's non-compliance.

Respondent has posted a \$50,000.00 blanket bond on the wells. In addition, several wells have individual bonds. However, as a result of the new financial assurance requirements, Respondent needs to post additional financial assurance on several of the wells.

APPLICANT'S PROPOSED EVIDENCE

WITNESS:

ESTIMATED TIME:

Daniel Sanchez
Enforcement and Compliance Manager

45 Minutes

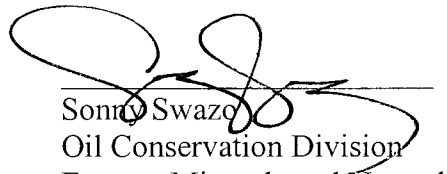
Dorothy Phillips
Financial Assurance Administrator

by affidavit

PROCEDURAL MATTERS

None.

Respectfully submitted
this 31 day of January 2008 by



Sonny Swazo
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
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Santa Fe, NM 87505
(505) 476-3463

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 31 day of January 2008:

ERS Resources, LLC
1001 FM 1929
Voss, Texas 76888

ERS Resources, LLC
c/o Orbit Petroleum, Inc.
720 West Wilshire, Suite 115
Oklahoma City, OK 73116

ERS Resources, LLC
c/o Tipton Oil
P.O. Box 1234
Lovington, NM 88260

U.S. Specialty Insurance Company
13403 NW Freeway
Houston, Texas 77040


Sonny Swazo