

STATE OF NEW MEXICO RECEIVED
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION 2009 JUN 7 PM 3 54

APPLICATION OF THE OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT & COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST JACKIE BREWER D/B/A SANDLOTT ENERGY, FINDING OPERATOR IN NON-COMPLIANCE WITH RULE 19.15.26.10 NMAC AND 19.15.26.11 NMAC AS TO TWO WELLS, REQUIRING OPERATOR TO COME INTO COMPLIANCE BY A DATE CERTAIN, REQUIRING OPERATOR TO PLUG AND ABANDON WELLS IF NOT IN COMPLIANCE BY A DATE CERTAIN, AND AUTHORIZING THE DIVISION TO PLUG AND ABANDON THE WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE IN EVENT OF NON-COMPLIANCE; EDDY COUNTY, NEW MEXICO

CASE NO. 14313

ENTRY OF APPEARANCE AND
PRE-HEARING STATEMENT

The Oil Conservation Division submits this entry of appearance and pre-hearing statement pursuant to OCD Rule 19.15.4.13 NMAC.

APPEARANCES

APPLICANT

Oil Conservation Division

APPLICANT'S ATTORNEY

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RESPONDENT

Sandlott Energy d/b/a Jackie Brewer

RESPONDENT'S ATTORNEY

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STATEMENT OF THE CASE

This case concerns two injection wells—Resler Yates State No. 355 (30-015-02148) and Resler Yates State No. 379 (30-015-20115).

Since this application was filed the Resler Yates State No. 379 underwent and passed mechanical integrity tests. The portion of the case pertaining to the Resler Yates State No. 379 will be dismissed at hearing.

The other well—Resler Yates State No. 355—needs to undergo and pass mechanical integrity tests.

Oil Conservation Division (OCD) rules require injection wells to undergo and pass mechanical integrity tests prior to initial injection and any time the operator pulls the tubing or reseats the packer, and at a minimum of once every five years thereafter. OCD rules require injection wells to be equipped, operated, monitored and maintained to facilitate periodic testing and to assure continued mechanical integrity. OCD rules require the operator to advise the OCD of the date and time any initial, five-year or special tests are to be commenced so the OCD may witness the tests.

The Resler Yates State No. 355 failed mechanical integrity tests five years ago in 2004. Operator continued to inject into the Resler Yates State No. 355 despite being told by OCD personnel that the well had to be shut-in until it underwent and passed mechanical integrity tests. Until last year, when OCD got on Operator, Operator made no attempt for the well to undergo mechanical integrity tests. Operator did not maintain the well to allow for the periodic testing required by the rules. Operator did not contact OCD for testing. Despite OCD's attempts at getting Operator to bring the Resler Yates State No. 355 into compliance he has yet to do so.

OCD is seeking an Order requiring Operator to bring the Resler Yates State No. 355 into compliance with OCD injection rules by a date certain. If he does not do so, OCD is asking for an Order requiring him to plug and abandon the well by a date certain. If he does not comply with this Order, OCD is asking for authorization to plug and abandon the well and forfeit the applicable financial assurance.

APPLICANT'S PROPOSED EVIDENCE

WITNESSES:

ESTIMATED TIME:

Richard Inge (by telephone)
Compliance Office, District II

45 Minutes

Daniel Sanchez
Enforcement and Compliance Manager

30 Minutes

PROCEDURAL MATTERS

None.

Respectfully submitted
this 7 day of May 2009 by

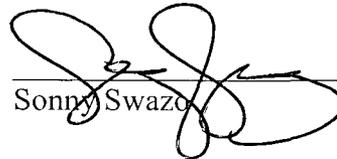


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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following by email, fax, and first class mail this 7 day of May, 2009:

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