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

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF THE NEW MEXICO OIL  
CONSERVATION DIVISION FOR A COMPLIANCE  
ORDER AGAINST NACOGDOCHES OIL AND  
GAS, INC.**

**Case No. 14,326**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Nacogdoches Oil and Gas, Inc. ("NOG") as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Oil Conservation Division

**APPLICANT'S ATTORNEY**

Mikal Altomare

**OPPONENT**

Nacogdoches Oil and Gas, Inc.  
P.O. Box 632418  
Nacogdoches, Texas 75963

**OPPONENT'S ATTORNEY**

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attention: Mike Finley  
(936) 560-4747

**STATEMENT OF THE CASE**

**APPLICANT**

Applicant seeks a compliance order requiring NOG to bring 121 wells, located in McKinley County, into compliance.

**OPPONENT**

NOG has been working to bring its wells into compliance. A number of the wells listed in the case are already in compliance. As to other wells, NOG is constrained by current limits on its water disposal capabilities, which limits the number of wells which it can produce. As a result,

NOG has prepared and will be filing a water disposal application to increase its disposal capability, which will allow it to bring other wells into compliance.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

Mike Allen  
(V.P. - Engineering)

30 min.

Approx. 5

Mike Dehnisch  
(V.P. - Operations)

30 min.

Approx. 5

Mike Finley  
(President)

20 min.

Approx. 5

**PROCEDURAL MATTERS**

Applicant requests that this matter be continued for 4-6 weeks to allow NOG personnel to meet informally with Division personnel in Santa Fe during the week of June 8th, provide them with documentation on NOG's work on the subject wells, to allow it to file a water disposal application, and to discuss a voluntary compliance order with the Division.

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Nacogdoches Oil and Gas, Inc.

cc: Mikal Altomare