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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 C & D MANAGEMENT COMPANY D/B/A FREEDOM VENTURES COMPANY, FINDING THAT THE OPERATOR KNOWINGLY AND WILLFULLY VIOLATED 19.15.13.1115 NMAC AND 19.15.4.201 NMAC; ASSESSING PENALTIES; REQUIRING OPERATOR TO BRING SAID WELLS INTO COMPLIANCE WITH 19.15.13.1115 NMAC AND 19.15.4.201 NMAC BY A DATE CERTAIN; AND IN THE EVENT OF NON-COMPLIANCE, DECLARING THE WELLS ABANDONED AND AUTHORIZING THE DIVISION TO PLUG THE WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE, EDDY COUNTY, NEW MEXICO

CASE NO. 14055
DE NOVO
RE-OPENED

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

C & D Management Company
d/b/a Freedom Ventures Company

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STATEMENT OF THE CASE

OCD is seeking an Order requiring Operator to plug and abandon its wells by a date certain for Operator's non-compliance with OCD Rule 19.15.13.1115 NMAC (since re-numbered 19.15.7.24 NMAC).

OCD moved to re-open this case when Operator failed to comply with the Order issued in this case (Order R-12913-A) and file any C-115 production reports for all its wells for all months from January 2008 through and including May 2008, by September 14, 2008. Operator had not filed any C-115 reports when OCD filed its motion to re-open on February 20, 2009.

Order R-12913-A authorizes OCD to plug and abandon Operator's wells and forfeit any applicable financial assurance in the event that Operator does not comply with the Order and file any C-115 production reports for all its wells for all months from January 2008 through and including May 2008, by September 14, 2008. However, the Order does not require Operator to plug and abandon its wells by a date certain in the event of Operator's non-compliance.

Section 70-2-14(B), NMSA 1978, requires OCD to direct the operator to plug and abandon wells by a date certain before OCD may be authorized to do so.

Section 70-2-14(B) states:

If any of the requirements of the Oil and Gas Act or the rules promulgated to that act have not been complied with, the oil conservation division, after notice and hearing, may order any well plugged and abandoned by the operator or surety or both in accordance with division rules. If the order is not complied with in the time period set out in the order, the financial assurance shall be forfeited.

In late March 2009 Operator filed C-115 reports. However, on April 2, 2009 Operator said the C-115 reports it filed are inaccurate and were incorrectly entered. Operator indicated that it would be revising the C-115 reports. Operator does not appear to have corrected the problem and Operator would still be in non-compliance with OCD rules and Order R-12913-A.

APPLICANT'S PROPOSED EVIDENCE

WITNESSES:

ESTIMATED TIME:

Daniel Sanchez

30 Minutes

Enforcement and Compliance Manager

Jane Prouty
Production and Permitting Supervisor

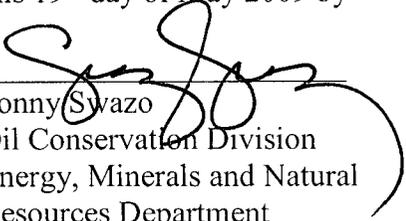
30 Minutes

PROCEDURAL MATTERS

None at this time.

Respectfully submitted

this 19th 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 Respondent's Attorney, Ernest L. Padilla, Esq., P.O. Box 2523, Santa Fe, NM 87504-2523, by email, fax and first class mail this 19th day of May 2009:



Sonny Swazo