

**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:**

CASE NO. 12811

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
THROUGH THE SUPERVISOR OF DISTRICT II, FOR AN ORDER
REQUIRING OPERATORS TO BRING THREE HUNDRED EIGHTY-EIGHT
(388) WELLS INTO COMPLIANCE WITH RULE 201.B, AND ASSESSING
APPROPRIATE CIVIL PENALTIES; EDDY AND CHAVES COUNTIES, NEW
MEXICO.**

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by the Oil Conservation Division as required by Rule 1208.B.

APPEARANCES OF PARTIES

APPLICANT

New Mexico Oil Conservation Division

ATTORNEY

David K. Brooks
Energy Minerals and Natural
Resources Department of the State of
New Mexico
1220 South St.Francis Drive
Santa Fe, NM 87505
(505) - 476-3450
FAX (505)-476-3462

Cheryl Bada
Energy Minerals and Natural
Resources Department of the State of
New Mexico
1220 South St.Francis Drive
Santa Fe, NM 87505
(505) - 476-3212
FAX (505)-476-3462
(appearing specially to present the
Division case as to EGL Resources)

RESPONDENT

Beach Exploration, Inc.
Nadel and Gussman Permian, L.L.C.
Ocean Energy, Inc.
Pogo Producing Company
St.Mary Land & Exploration Company

ATTORNEY

James G. Bruce
P.O.Box 1056
Santa Fe, NM 87504
(505)-982-2043
FAX (505)-982-2151

Bass Enterprises Production Co. has indicated that an officer of the company will appear at the hearing to offer testimony. None of the other named respondents has entered an appearance.

STATEMENT OF THE CASE

Applicant will show that each of the named respondent-operators has a well or wells in NMOCD District II that are not in compliance with Division Rule 201, in that such wells have been continuously inactive for periods in excess of one year, and have not been returned to production or beneficial use, plugged and abandoned, or temporarily abandoned within ninety (90) days after expiration of one year of inactivity. Applicant will further show that each of the respondent operators announced an intention to perform specific work to bring its subject wells into compliance prior to November 1, 2001. Applicant will show the state of compliance of each of the respondent operators with these undertakings. Applicant seeks entry of an order directing each of the respondent-operators who have not completed their undertakings in this regard to bring their subject wells into compliance, and further seeks civil penalties against those who have not performed their undertakings.

PROPOSED EVIDENCE

<u>WITNESS</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Jane Prouty	20 min.	1
Tim W. Gum	2 hr.	many

PROCEDURAL MATTERS

None known at this time.

RESPECTFULLY SUBMITTED,

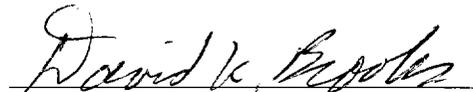


David K. Brooks
Assistant General Counsel
Energy, Minerals and Natural
Resources Department of the State of
New Mexico
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505)-476-3450

Attorney for The New Mexico Oil
Conservation Division

CERTIFICATE OF SERVICE

I hereby certify that copies of this Pre-Hearing Statement have been served on all counsel of record in this Case by facsimile transmission on this 15thth day of March, 2002.


David K. Brooks