

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

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE ORDER
AGAINST RAM ENERGY LLC, FOR WELLS OPERATED IN LEA COUNTY, NEW
MEXICO.**

Case No. 16041

**RAM ENERGY LLC'S
PRE-HEARING STATEMENT**

RAM Energy LLC ("RAM Energy") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division ("the Division").

APPEARANCES

PARTIES

ATTORNEYS

APPLICANT

Oil Conservation Division
Compliance and Enforcement
Bureau

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OPPONENT

RAM Energy LLC

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STATEMENT OF THE CASE

The Division's Compliance and Enforcement Bureau ("the Bureau") seeks a compliance order: (a) determining that RAM Energy is out of compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC; (b) requiring RAM Energy to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and shut-in producing wells until compliance is achieved; and (c) in the event of non-compliance, declaring the wells abandoned and authorizing the Division to (i) plug the violating wells, (ii) remediate the well locations, (iii) recover costs from RAM Energy's financial assurance pursuant to 19.15.8.13 NMAC, and (iv) seek indemnification pursuant to NMSA § 70-2-14(E).

RAM Energy does not dispute that the total number of its inactive wells exceeds the maximum permitted under 19.15.5.9(A)(4) NMAC. However, RAM Energy disputes the need for the compliance order requested by the Bureau and opposes the relief request in the application. Since the Bureau filed its application, RAM Energy has made a concerted, good-faith effort to address the compliance matters stated in the application. RAM Energy has brought 26 of its inactive wells into compliance, and will bring seven additional wells into compliance within a matter of days. Moreover, RAM Energy has been actively negotiating with the Bureau to reach mutually agreeable terms of an agreed compliance order. Given its compliance efforts and its willingness to enter into an agreed compliance order, RAM Energy's position is that the relief sought by the Bureau is unreasonable, unnecessary, and would result in financial hardship.

PROPOSED EVIDENCE

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Matt Patterson (Engineer)	15 minutes	6
Darrell Pennington (Geologist)	15 minutes	4

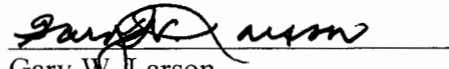
RAM Energy reserves the right to call a rebuttal witness(es) and introduce rebuttal exhibits if appropriate.

PROCEDURAL MATTERS

RAM Energy has previously communicated to the Bureau its request for a continuance to the May 3, 2018 Examiner docket to allow the parties time to continue their settlement negotiations, but the Bureau has rejected that request. RAM Energy's position is that a continuance is warranted under the circumstances and would benefit both parties, and it requests that this case be continued to May 3, 2018.

Respectfully submitted,

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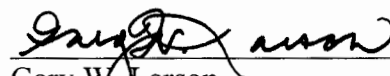
Counsel for RAM Energy LLC

CERTIFICATE OF SERVICE

I hereby certify that on this 29th day of March, 2018, I served a true and correct copy of the foregoing ***RAM Energy LLC's Pre-Hearing Statement*** via email to:

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