

**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. 12975

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
THROUGH THE SUPERVISOR OF DISTRICT I, FOR AN ORDER REQUIRING
WALTER W. ANDERSON TO PROPERLY PLUG AND ABANDON ONE (1)
WELL(S), ASSESSING AN APPROPRIATE CIVIL PENALTY IN EVENT OF
OPERATOR'S FAILURE TO COMPLY, AUTHORIZING THE DIVISION TO
PLUG SAID WELL(S) AND ORDERING A FORFEITURE OF APPLICABLE
PLUGGING BOND, IF ANY; LEA, NEW MEXICO.**

PRE-HEARING STATEMENT

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

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

RESPONDENT

Walter W. Anderson

ATTORNEY

No appearance entered.

American Employers' Insurance Company

No appearance entered.

STATEMENT OF THE CASE

Applicant will show that the above named operator is the operator of the well(s) identified in the Application, that such wells are inactive and have been inactive for a longer time than authorized by Rule 201, and have not been temporarily abandoned. Applicant will offer evidenced that the condition of the well(s) is such that plugging thereof is necessary for the prevention of waste, protection of correlative rights and protection of the environment, and that, in event of the operator's failure to plug same, the Division should be authorized to plug said well(s), to forfeit any financial assurance furnished by operator, and to seek reimbursement from operator for any excess of plugging costs incurred by the Division over and above the amount realized from forfeiture of such financial assurance. Also to be considered will be the propriety of the plugging procedure proposed by the Division staff.

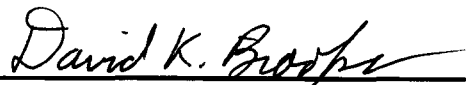
PROPOSED EVIDENCE

<u>WITNESS</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Jane Prouty	5 min.	1
Dorothy Phillips	2 min.	1
Billy Prichard (by telephone)	15 min.	4

PROCEDURAL MATTERS

None anticipated.

RESPECTFULLY SUBMITTED,

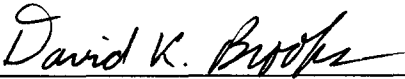


David K. Brooks
David K. Brooks
Assistant General Counsel
Energy, Minerals and Natural
Resources Department of the State of
New Mexico
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505)-476-3450

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 respondent(s) by mailing same to the same to each respondent at the address to which notice of this hearing was directed.



David K. Brooks