

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

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**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE ORDER
AGAINST CANO PETRO OF NEW MEXICO, INC., FOR WELLS OPERATED IN
CHAVES COUNTY, NEW MEXICO.**

CASE NO. 15646

PRE-HEARING STATEMENT

Applicant Oil Conservation Division Compliance and Enforcement Bureau ("OCD" or "Bureau") is seeking an order declaring:

1. That Cano Petro of New Mexico, Inc., ("Cano Petro of New Mexico, Inc." or "Operator") is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14.
2. That Operator must comply with OCD Rules within 30 days of the issuance of a Division order.
3. If Operator does not comply with Division order, finding that Operator is out of compliance with a Division order.

The Bureau supports the approval because of the following:

1. Notice of Hearing was properly served as required by 19.15.4.9 NMAC and 19.15.4.10 NMAC.
2. The Bureau will present evidence that Operator currently has 8 wells out of compliance with Division Rule 19.15.8 NMAC.

PETITIONERS'S PROPOSED EVIDENCE

WITNESS:

ESTIMATED TIME: 5 minutes

Denise Gallegos, NMOCD Bond Administrator

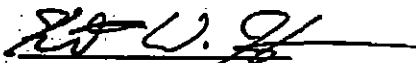
Testimony on compliance with OCD Financial Assurance Requirements.

The Bureau reserves the right to call additional witnesses not listed herein on rebuttal.

PROCEDURAL MATTERS

None.

Respectfully submitted
this 23 day of March, 2017 by



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Attorney for the Oil Conservation Division
Compliance and Enforcement Bureau

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was sent electronically to the following party on March 23, 2017:

Carol McNern
Cano Petro of New Mexico
via email: *carol.mcnern@nbiservices.com*



Keith W. Herrmann