

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

**IN THE MATTER OF THE APPLICATION  
OF THE NEW MEXICO OIL CONSERVATION DIVISION  
THROUGH THE ENFORCEMENT AND COMPLIANCE  
MANAGER, FOR A COMPLIANCE ORDER AGAINST  
QUANNAH, INC.**

**RECEIVED  
2008 APR 11 AM 11 37**

**CASE NO. 14110**

**PRE-HEARING STATEMENT**

This Pre-hearing Statement is submitted by QUANNAH, INC., by and through its undersigned counsel, Ernest L. Padilla, Padilla Law Firm, P.A. as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**ATTORNEY**

**APPLICANT:**

**OIL CONSERVATION DIVISION**

Gail MacQuesten  
Assistant General Counsel  
Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505  
(505) 476-3451  
FAX: 476-3480

**OPPOSITON OR OTHER PARTY:**

**QUANNAH, INC.**

Ernest L. Padilla  
Padilla Law Firm, P.A.  
Post Office Box 2523  
Santa Fe, New Mexico 87504  
(505) 988-7577  
FAX: 988-7592

**STATEMENT OF CASE**

**APPLICANT:**

**OPPOSITION OR OTHER PARTY:**

Quannah, Inc. will present testimony that it was lawfully performing work at the site where it is accused of illegal dumping. It is the operator of the site for Kevin O. Butler. The work that it was performing was offloading water from a tank so that a valve could be replaced. It used one truck to pump the water from the tank unto another tanker truck so that the work could be done. An employee of Energen, a partner of Kevin O. Butler, who apparently reported the incident was (1) mistaken about the Quannah activities, (2) had no business interfering with Quannah's activities, and (3) acted entirely in bad faith in causing a regulatory investigation to be conducted in this matter.

**PROPOSED EVIDENCE**

**APPLICANT**

WITNESSES	EST. TIME	EXHIBITS
Louis Edgett	15 minutes	Run tickets and other documentation
Greg Lopez	10 minutes	
Don Buckingham	5 minutes	

**OPPOSITION**

**PROCEDURAL MATTERS**

(Please identify any procedural matters which need to be resolved prior to hearing.)

None

PADILLA LAW FIRM, P.A.



ERNEST L. PADILLA

P.O. Box 2523

Santa Fe, New Mexico 87504-2523

(505) 988-7577

**CERTIFICATE OF SERVICE**

I hereby certify that I caused a copy of this Pre-Hearing Statement to be served  
upon

Gail MacQuesten  
Assistant General Counsel  
Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, New Mexico 87505

and by hand-delivery on April 11, 2008.



ERNEST L. PADILLA