

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop

Cabinet Secretary

Reese Fullerton

Deputy Cabinet Secretary

Mark Fesmire

Division Director

Oil Conservation Division



May 7, 2008

Southwestern, Inc.
1304 W. Broadway Place
Hobbs, NM 88240

Certified Mail No. 7099 3220 0009 7873 0820

Southwestern, Inc.
P.O. Box 658
Dripping Springs, TX 78620

Certified Mail No. 7099 3220 0009 7873 0813

CASE NO. 14135: APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST SOUTHWESTERN, INC. REQUIRING OPERATOR TO INCREASE THE AMOUNT OF FINANCIAL ASSURANCE FOR ONE WELL TO MEET CURRENT REQUIREMENTS, FINDING THAT THE OPERATOR IS IN VIOLATION OF 19.15.1.40.A(2) NMAC BASED ON ITS FAILURE TO TAKE THE CORRECTIVE ACTION REQUIRED UNDER ORDER NO. R-12909, AND FORMALLY ASSESSING A PENALTY UNDER ORDER NO. R-12909, LEA COUNTY, NEW MEXICO.

Dear Operator:

You are hereby notified that the New Mexico Oil Conservation Division (OCD) has filed an application for a compliance order against Southwestern, Inc. A copy of the application is enclosed.

A hearing on this application will take place before the Division hearing officer on **Thursday, June 12, 2008**, at 8:15 a.m., in Porter Hall, First Floor, 1220 South St. Francis Drive in Santa Fe, New Mexico. At that hearing Southwestern, Inc. will have an opportunity to oppose the entry of the order. **If you intend to present evidence at the hearing, you should file a pre-hearing statement at least four business days in advance of the hearing, as required by 19.15.14.1211.B NMAC.** A copy of that rule is enclosed. I have also enclosed a copy of 19.15.14.1212 NMAC, which addresses representation at administrative hearings before the Division.

If you have questions about the application you may call me at (505) 476-3451.

Very truly yours,

Gail MacQuesten

Assistant General Counsel

Encl: Application for Compliance in Case 14135
Rule 1211 [19.15.14.1211 NMAC]
Rule 1212 [19.15.14.1212 NMAC]

Case 14135
Southwestern, Inc.
OCD Exhibit 1-A

