

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST GENERAL OPERATING CO., GENE A. SNOW AND/OR SNOW OIL & GAS, INC. TO DETERMINE THE CORRECT OPERATOR(S) OF ONE WELL, FINDING THE OPERATOR(S) IN VIOLATION OF 19.15.4.201 NMAC AS TO THE WELL, REQUIRING OPERATOR(S) TO BRING THE WELL INTO COMPLIANCE WITH 19.15.4.201 NMAC BY A DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE DECLARING THE WELL ABANDONED AND AUTHORIZING THE DIVISION TO PLUG THE WELL AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE, EDDY COUNTY, NEW MEXICO.

CASE No. 14129

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Lisa Curry Gray Law Offices, P.C. as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Oil Conservation Division

APPLICANT'S ATTORNEY

Gail MacQuesten
Oil Conservation Division
Energy, Minerals and Natural
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RESPONDENTS

General Operating Company
8495 Jacksboro Highway
Wichita Falls, Texas 76301

RESPONDENTS ATTORNEY

No entry of appearance at this time

Snow Oil & Gas, Inc.
Gene A. Snow heirs

Lisa Curry Gray
Lisa Curry Gray Law Offices, P.C.
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STATEMENT OF THE CASE

Respondents Snow Oil & Gas, Inc. ("Snow") and Gene A. Snow ("Gene A. Snow") heirs seek to show through testimony and exhibits that neither respondent is the operator of the Kleeman #001, 30-015-00250, Section 27, Township 18S, Range 26E, Eddy County, New Mexico.

Snow is a corporation which was incorporated in the State of Texas on July 3, 1981. It is registered to do business in the State of New Mexico and has as its registered agent, Nona Snow, at 606 South 13th St., Lovington, New Mexico. Until 2006, Ms. Snow served on the Board of Directors of Snow in various capacities. Snow was not a successor in interest to Gene A. Snow and is an independently formed entity duly authorized to do business in the State of New Mexico. The \$50,000 blanket cash bond posted by Snow is the financial assurance required by regulation for Snow covering operations upon such properties as it is duly authorized to develop and operate within the State of New Mexico.

Gene A. Snow was a sole proprietor and operated the Kleeman #001 as a contract operator from 1976 until his death on December 16, 1977. Upon his death, the leasehold owners, Bearing Service and Supply, in Artesia, New Mexico, transferred operations of the well to General Operating Company, with offices located in Lovington, New Mexico. The records of the OCD show that the cash assurance bond of Gene A. Snow has been released.

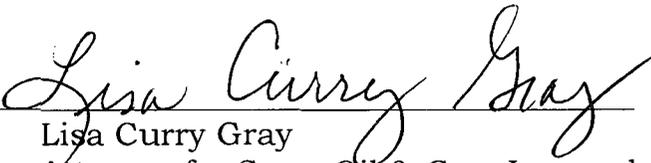
Respondents request that the Division hearing officer for the New Mexico Oil Conservation Division find that neither Gene A. Snow nor Snow Oil & Gas, Inc. are considered an operator of the Kleeman #001 under the definition of 19.15.1(o)(5)NMAC and as such are dismissed from this proceeding.

PROPOSED EVIDENCE

RESPONDENT

WITNESSES	EST. TIME	EXHIBITS
Dan W. Snow V.P. Operations, Snow Oil & Gas, Inc.	30 minutes	Approx. 4

LISA CURRY GRAY LAW OFFICES, P.C.

By: 
Lisa Curry Gray
Attorney for Snow Oil & Gas, Inc. and
Gene A. Snow heirs
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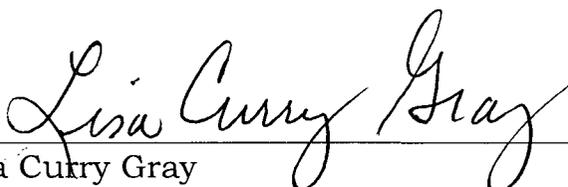
CERTIFICATE OF SERVICE

I certify that on October 9, 2008, I served a copy of the foregoing document to the following by U.S. Mail, Postage prepaid

General Operating Company
8495 Jacksboro Highway
Wichita Falls, Texas 76301

I certify that on October 9, 2008, I served a copy of the foregoing document to the following by Fax and hand delivery:

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Resources Department
1220 S. St. Frances Drive
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