

(1)

**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:**

**APPLICATION OF THE NEW MEXICO OIL
CONSERVATION DIVISION FOR A COMPLIANCE
ORDER AGAINST NACOGDOCHES OIL AND
GAS, INC.**

Case No. 14,326

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Nacogdoches Oil and Gas, Inc. ("NOG") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Oil Conservation Division

APPLICANT'S ATTORNEY

Mikal Altomare

OPPONENT

Nacogdoches Oil and Gas, Inc.
P.O. Box 632418
Nacogdoches, Texas 75963

OPPONENT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attention: Mike Finley
(936) 560-4747

STATEMENT OF THE CASE

APPLICANT

Applicant seeks a compliance order requiring NOG to bring 121 wells, located in McKinley County, into compliance.

OPPONENT

NOG has been working to bring its wells into compliance. A number of the wells listed in the case are already in compliance. As to other wells, NOG is constrained by current limits on its water disposal capabilities, which limits the number of wells which it can produce. As a result,

NOG has prepared and will be filing a water disposal application to increase its disposal capability, which will allow it to bring other wells into compliance.

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
------------------	------------------	-----------------

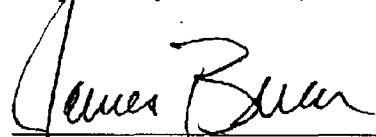
OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Mike Allen (V.P. - Engineering)	30 min.	Approx. 5
Mike Dehnisch (V.P. - Operations)	30 min.	Approx. 5
Mike Finley (President)	20 min.	Approx. 5

PROCEDURAL MATTERS

Applicant requests that this matter be continued for 4-6 weeks to allow NOG personnel to meet informally with Division personnel in Santa Fe during the week of June 8th, provide them with documentation on NOG's work on the subject wells, to allow it to file a water disposal application, and to discuss a voluntary compliance order with the Division.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Nacogdoches Oil and Gas, Inc.

cc: Mikal Altomare