

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST C & D MANAGEMENT COMPANY D/B/A FREEDOM VENTURES COMPANY, FINDING THAT THE OPERATOR KNOWINGLY AND WILLFULLY VIOLATED 19.15.13.1115 NMAC AND KNOWINGLY AND WILLFULLY VIOLATED 19.15.4.201 NMAC; ASSESSING PENALTIES; REQUIRING OPERATOR TO BRING SAID WELLS INTO COMPLIANCE WITH 19.15.13.1115 NMAC AND 19.15.4.201 NMAC BY A DATE CERTAIN; AND IN THE EVENT OF NON-COMPLIANCE, DECLARING THE WELLS ABANDONED AND AUTHORIZING THE DIVISION TO PLUG THE WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE, EDDY COUNTY, NEW MEXICO.

**CASE NO. 14055 De Novo
ORDER NO. R-12913**

SUPPLEMENTARY PRE-HEARING STATEMENT

This Supplementary Pre-hearing Statement is submitted by C & D Management Company d/b/a Freedom Ventures Company by and through its undersigned counsel, Ernest L. Padilla, Padilla Law Firm, P.A., as required by the Oil Conservation Commission.

APPEARANCES OF PARTIES

ATTORNEY

APPLICANT:

OIL CONSERVATION DIVISION

Sonny Swazo, Esq.,
Oil Conservation Division
1220 S. St. Francis Dr.
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FAX: 476-3480

OPPOSITON OR OTHER PARTY:

C & D MANAGEMENT COMPANY D/B/A
FREEDOM VENTURES COMPANY

Ernest L. Padilla
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(505) 988-7577
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STATEMENT OF CASE

APPLICANT:

OPPOSITION OR OTHER PARTY:

C& D Management cannot anticipate the OCD's evidence. The OCD's has submitted well plugging invoices to undersigned counsel for C & D Management, but it is insufficient data, without more extensive discovery, to evaluate whether the amounts and the plugging procedure are appropriate.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Those listed in its Prehearing Statement.

OPPOSITION

C & D Management may recall Mr. Kizer to testify concerning the OCD's evidence and testimony.

C & D Management may also call Travis Mann as to the amounts of the plugging invoices and plugging procedures.

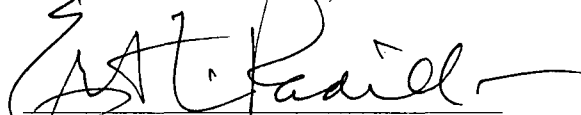
C & D Management does not anticipate introducing any exhibits, except rebuttal exhibits which cannot be anticipated at this time.

PROCEDURAL MATTERS

1. Eventhough the Commission continued this hearing, the application and publications of this matter have not been amended to incorporate the requested relief, i.e. "5.9 Order."

2. C & D Management objects to recalling David Brooks for testimony or introduction of evidence.

PADILLA LAW FIRM, P.A.



ERNEST L. PADILLA

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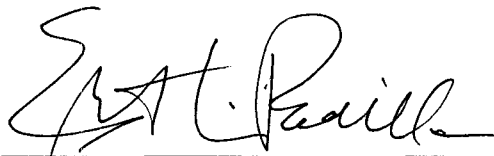
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CERTIFICATE OF SERVICE

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

Sonny Swazo, Esq.,
Oil Conservation Division
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Santa Fe, NM 87505
(505) 476-3451
FAX: 476-3480

and by e-mail this 30th of September, 2009.



ERNEST L. PADILLA