

RECEIVED OCD  
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

**AMENDED PRE-HEARING STATEMENT**

This 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.  
Santa Fe, NM 87505  
(505) 476-3451  
FAX: 476-3480

OPPOSITON OR OTHER PARTY:

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

Ernest L. Padilla  
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Santa Fe, New Mexico 87504  
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**STATEMENT OF CASE**

APPLICANT:

OPPOSITION OR OTHER PARTY:

C & D Management will present testimony and tender evidence with respect to the compliance issues brought in this matter by the Oil Conservation Division as follows:

1. That it has complied or has attempted to comply with the Commission's prior order. With respect to plugging requirements, C & D Management had proceeded with plugging wells that it was required to plug. The Oil Conservation Division superseded those efforts by commencing its own plugging operations. Furthermore, the OCD plugged wells that were capable of production.

2. With respect to filing production reports, C & D Management realized in February 2009 that some of its reported production may have been inaccurate and voluntarily asked that the reports be withdrawn until corrected reports could be filed. It has now filed correct and accurate reports through May 2009.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Those listed in its Prehearing Statement.

OPPOSITION

Thomas Kizer

45 min.

- (1) Summary Sheet of Plugging Activity
- (2) Copies of Plugging Reports or of

Remedial work on wells

(3) Exhibits offered by OCD

George Shipley

15 min. (4) Gas charts and data showing that some of the wells plugged by the OCD were producing oil and gas wells.

### **PROCEDURAL MATTERS**

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

None

PADILLA LAW FIRM, P.A.



ERNEST L. PADILLA

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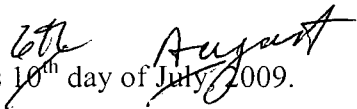
(505) 988-7577

### **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  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505  
(505) 476-3451  
FAX: 476-3480

and by hand-delivery this 10<sup>th</sup> day of July, 2009.



ERNEST L. PADILLA