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

APPLICATION OF THE OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT & COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST OPERATOR CORINNE GRACE, FINDING OPERATOR IN VIOLATION OF 19.15.25.8 NMAC AS TO CUEVA UNIT #1, REQUIRING OPERATOR TO PLUG AND ABANDON SAID WELL BY A DATE CERTAIN, AND AUTHORIZING THE DIVISION TO FORFEIT THE APPLICABLE FINANCIAL ASSURANCE AND PLUG THE WELL IN THE EVENT OPERATOR'S NON-COMPLIANCE, EDDY COUNTY, NEW MEXICO.

CASE NO. $1456\overline{Q}_3$

PRE-HEARING STATEMENT

This Pre-hearing Statement is submitted by CORINNE GRACE, 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

Assistant General Counsel Energy, Minerals and Natural Resources Department of the

State of New Mexico 1220 S. St. Francis Dr. Santa Fe, NM 87505 (505) 476-3463

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OPPOSITON OR OTHER PARTY:

CORINNE GRACE

Ernest L. Padilla Padilla Law Firm, P.A. Post Office Box 2523

Santa Fe, New Mexico 87504

(505) 988-7577 FAX: 988-7592

STATEMENT OF CASE

APPLICANT:

OPPOSITION OR OTHER PARTY:

Applicant will present a C-103 and testimony concerning the plans and intentions of Corinne B. Grace to plug and abandon the subject well in accordance with OCD rules and regulations.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Unknown

OPPOSITION

Eddie Seay

20 minutes

C-103

PROCEDURAL MATTERS

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

None

Ernest L. Padilla

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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 Assistant General Counsel Energy, Minerals and Natural Resources Department of the State of New Mexico 1220 S. St. Francis Dr. Santa Fe, New Mexico 87505 sonny.swazo@state.nm.us

by hand-delivery on this 21st day of October, 2010.

ERNEST L. PADILLA