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 MARKS AND GARNER PRODUCTION LTD. CO., FINDING THAT AS TO ELEVEN WELLS THE OPERATOR (1) HAS VIOLATED OCD RULES 19.15.2.8, 19.15.29.6, 19.15.29.9, 19.15.29.10 NMAC AND (2) IS CURRENTLY IN VIOLATION OF OCD RULES 19.15.29.11 AND 19.15.30.9(A); FINDING THAT AS TO FOUR OF THOSE ELEVEN WELLS, (3) OPERATOR IS CURRENTLY ADDITIONALLY IN VIOLATION OF OCD RULES 19.15.29.9 AND 19.15.29.10 NMAC; (4) REQUIRING THE OPERATOR TO BRING ALL ELEVEN WELLS INTO COMPLIANCE WITH OCD RULES 19.15.29.9, 19.15.29.10 AND 19.15.29.11 NMAC BY A DATE CERTAIN AND (5) ORDERING THAT IN THE EVENT IT FAILS TO DO SO, THE OPERATOR SHALL EITHER PLUG AND ABANDON OR TRANSFER ALL WELLS IT CURRENTLY OPERATES IN NEW MEXICO BY A DATE CERTAIN, OR THE WELLS SHALL BE DEEMED ABANDONED AND THE DIVISION AUTHORIZED TO PLUG THE WELLS - EDDY COUNTY, NEW MEXICO.

CASE NO. 14393 [reopened]

APPEARANCES & PRE-HEARING STATEMENT

The Oil Conservation Division submits this entry of appearance and pre-hearing statement pursuant to OCD Rule 1211 [19.15.14.1211 NMAC].

APPEARANCES

APPLICANT

OIL CONSERVATION DIVISION

APPLICANT'S ATTORNEY

MIKAL ALTOMARE
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Drive
Santa Fe, NM 87505
T: (505) 476-3480

T: (505) 476-3480

F: 476-3462

E: Mikal.altomare@state.nm.us

RESPONDENT

Marks & Garner Production Ltd. Co.

RESPONDENT'S ATTORNEY

ENEST L. PADILLA PADILLA LAW FIRM, P.A.

P.O. Box 2523

Santa Fe, New Mexico 87504-2523

T: 505-988-7577 F: 505-988-7592

STATEMENT OF THE CASE

Pursuant to the provisions of Division Order No. R-13197, Case 14393 is being reopened to determine the status of Marks & Garner's compliance with the terms of said order. Division examiners have ordered the status hearing to receive evidence regarding the status of Marks and Garner's compliance with the terms and deadlines set by Order No. R-13197.

APPLICANT'S PROPOSED EVIDENCE

WITNESSES ESTIMATED TIME:

Daniel Sanchez, Enforcement & Compliance Manager

Tentative/ available as needed by examiners

PROCEDURAL MATTERS

None.

Respectfully submitted

this 5th day of November, 2009 by

Mikal Altomare

Oil Conservation Division

Energy, Minerals and Natural

Resources Department

1220 S. St. Francis Drive Santa Fe, NM 87505

(505) 476-3480

Attorney for the Oil Conservation Division

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon counsel for Marks & Garner Production Ltd., Co. via the email address indicated above this 25th day of February, 2010.

Mikal Altomare