

**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:**

CASE NO. 12733-A

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
THROUGH THE SUPERVISOR OF DISTRICT II, FOR AN ORDER
REQUIRING OPERATORS TO BRING NINETY-SIX (96) WELLS INTO
COMPLIANCE WITH RULE 201.B, AND ASSESSING APPROPRIATE CIVIL
PENALTIES; EDDY AND CHAVES COUNTIES, NEW MEXICO.**

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by the Oil Conservation Division as required by Rule 1208.B.

APPEARANCES OF PARTIES

APPLICANT

New Mexico Oil Conservation Division

ATTORNEY

David K. Brooks
Energy Minerals and Natural
Resources Department of the State of
New Mexico
1220 South St.Francis Drive
Santa Fe, NM 87505
(505) - 476-3450
FAX (505)-476-3462

RESPONDENT

Julian Ard

ATTORNEY

William F. Carr
Holland & Hart LLP
P.O.Box 2208
Santa Fe, NM 87504-2208
(505)-988-4421
FAX (505)986-6043

The Wiser Oil Company

James G. Bruce
P.O.Box 1056
Santa Fe, NM 87504
(505)-982-2043
FAX (505)-982-2151

None of the other named respondents as to whom the hearing in this case was continued to January 10, 2002 has entered an appearance.

STATEMENT OF THE CASE

Applicant will show that each of the named respondent-operators has a well or wells in NMOCD District II that are not in compliance with Division Rule 201, in that such wells have been continuously inactive for periods in excess of one year, and have not been returned to production or beneficial use, plugged and abandoned, or temporarily abandoned within ninety (90) days after expiration of one year of inactivity. Applicant will show that each of the operators as to whom this case was continued from the hearing in October of 2001 announced an intention to perform specific work to bring its subject wells into compliance within ninety (90) days from that date. Applicant will show the state of compliance of each of the respondent operators with these undertakings. Applicant seeks entry of order directing each of the respondent-operators who have not completed their undertakings in this regard to bring their subject wells into compliance, and further seeks civil penalties against those who have not performed their undertakings with respect to these wells with sufficient diligence to evidence good faith.

PROPOSED EVIDENCE

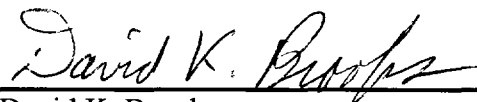
<u>WITNESS</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Jane Prouty	10 min.	1
Tim W. Gum	1 hr.	unknown

PROCEDURAL MATTERS

At the hearing on October 4, 2001, this case was continued to January 10, 2002 as to certain operators only. Notice was subsequently given as to two additional operators that their wells would be considered at the continued hearing. It was anticipated that an order would be entered severing the issues as to those operators as to whom the case was continued. In the event the order of severance establishing Case No. 12733-A has not been entered when the hearing is called in the continued case, it is the position of Division counsel that all of the respondents with respect to whom the Division will offer evidence at the January 10, 2002 hearing have been duly notified. Since the issue of compliance is wholly separate as to each respondent-operator, Division counsel believes

that the Examiner can and should receive evidence with respect to the compliance issues affecting the operators who have been duly notified of this hearing (by announcement on October 4, 2001 or otherwise), and that such evidence may be considered in connection with the entry of any final order affecting those operators whether an order of severance has been entered prior to the hearing or not.

RESPECTFULLY SUBMITTED,



David K. Brooks
Assistant General Counsel
Energy, Minerals and Natural
Resources Department of the State of
New Mexico
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505)-476-3450

Attorney for The New Mexico Oil
Conservation Division

CERTIFICATE OF SERVICE

I hereby certify that copies of this Pre-Hearing Statement have been served on all counsel of record in this Case by facsimile transmission on this 7th day of January, 2002.



David K. Brooks



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

December 21, 2001

Julian Ard
c/o Mr. William F. Carr
Holland & Hart L.L.P. and Campbell & Carr
P.O. Box 2208
Santa Fe, New Mexico 87504-2208

Re: Case No. 12733-A
January 10, 2002 Examiner Docket

Dear Mr. Carr:

This letter is to inform you that Case No. 12733, as it pertains to Julian Ard, has been continued to the January 10, 2002 Examiner Docket. This case has now been designated Case No. 12733-A. Please be advised that on that day, the Division will expect Julian Ard to present evidence to conclusively demonstrate that its well is in compliance with Rule 201.B.

If you should have any questions, please contact me at (505) 476-3458.

Sincerely,

Florene Davidson
Staff Specialist

Xc: ✓ Case File-12733-A
Mr. David Brooks-Division Counsel



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

December 21, 2001

The Wiser Oil Company
c/o Mr. James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504

Re: Case No. 12733-A
January 10, 2002 Examiner Docket

Dear Mr. Bruce:

This letter is to inform you that Case No. 12733, as it pertains to The Wiser Oil Company, has been continued to the January 10, 2002 Examiner Docket. This case has now been designated Case No. 12733-A. Please be advised that on that day, the Division will expect The Wiser Oil Company to present evidence to conclusively demonstrate that its wells are in compliance with Rule 201.B.

If you should have any questions, please contact me at (505) 476-3458.

Sincerely,

Florene Davidson
Florene Davidson
Staff Specialist

Xc: ✓ Case File-12733-A
Mr. David Brooks-Division Counsel