

**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. 12757

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
THROUGH THE SUPERVISOR OF DISTRICT II, FOR AN ORDER
REQUIRING MARKS AND GARNER PRODUCTION LTD. CO. TO PROPERLY
PLUG SEVENTEEN (17) WELLS, AUTHORIZING THE DIVISION TO PLUG
SAID WELLS IN DEFAULT OF COMPLIANCE BY MARKS AND GARNER
PRODUCTION LTD. CO, ORDERING A FORFEITURE OF APPLICABLE
PLUGGING BOND AND ASSESSING CIVIL PENALTIES FOR FALSE
PRODUCTION REPORTING; EDDY COUNTY, 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

RESPONDENTS

Marks and Garner Production Ltd. Co.
Attn: Ernest L. Marks
P.O.Box 70
Lovington, NM 88260
(505)-396-5326
FAX (505)-396-3204

St. Paul Surety
Attn: Wayne B. Anderson
21919 First Avenue South
Suite 100
Federal Way WA 90083
(253)-945-1540
FAX (253)-945-1559

ATTORNEY

none appeared as of this date

none appeared as of this date

STATEMENT OF THE CASE

Applicant will show that respondent-operator has numerous 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 this case was continued from two previous settings because respondent announced an intention to perform specific work to bring its inactive wells into compliance. Applicant will show the state of compliance of the respondent operator's with undertakings. While respondent is in substantial compliance with its undertakings, and Applicant will not seek any penalties for its wells not being in compliance, Applicant seeks entry of order directing respondent to complete the plugging and abandonment of the remaining wells and imposing appropriate civil penalties for past false production reporting.

PROPOSED EVIDENCE

<u>WITNESS</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Jane Prouty of Fran Chavez	30 min.	12
Tim W. Gum	15 min.	3
Gerry Guye	30 min	20

PROCEDURAL MATTERS

None known at this time.

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 parties who have entered appearances of record in this Case by facsimile transmission on this 7th day of January, 2002.



David K. Brooks