

**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. 12811**

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION  
THROUGH THE SUPERVISOR OF DISTRICT II, FOR AN ORDER  
REQUIRING OPERATORS TO BRING THREE HUNDRED EIGHTY-EIGHT  
(388) 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  
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(appearing specially to present the  
Division case as to EGL Resources)

RESPONDENT

Beach Exploration, Inc.  
Nadel and Gussman Permian, L.L.C.  
Ocean Energy, Inc.  
Pogo Producing Company  
St.Mary Land & Exploration Company

ATTORNEY

James G. Bruce  
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Bass Enterprises Production Co. has indicated that an officer of the company will appear at the hearing to offer testimony. None of the other named respondents 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 further show that each of the respondent operators announced an intention to perform specific work to bring its subject wells into compliance prior to November 1, 2001. Applicant will show the state of compliance of each of the respondent operators with these undertakings. Applicant seeks entry of an 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.

**PROPOSED EVIDENCE**

<u>WITNESS</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Jane Prouty	20 min.	1
Tim W. Gum	2 hr.	many

## PROCEDURAL MATTERS

None known at this time.

RESPECTFULLY SUBMITTED,

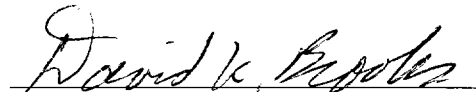
A handwritten signature in cursive script, reading "David K. Brooks", is written over a horizontal line.

David K. Brooks  
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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 15thth day of March, 2002.

A handwritten signature in cursive script, reading "David K. Brooks", is written over a horizontal line.  
David K. Brooks