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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

**IN THE MATTER OF PACIFIC ENERGY &
MINING COMPANY**

Docket No. 18-2602-01

**UTAH DIVISION OF PUBLIC
UTILITIES'
STATEMENT OF FACTS TO BE
ESTABLISHED, LEGAL ISSUES TO BE
RESOLVED, AND RELIEF SOUGHT
AT HEARING**

On October 18, 2019, the Public Service Commission of Utah (Commission) issued a scheduling order and notice of hearing in this docket (Scheduling Order). The Scheduling Order stated that “On or before **Monday, November 18, 2019**, each of the Pipeline Parties and the DPU will file a Statement of Facts to be Established, Legal Issues to be Resolved, and Relief Sought at Hearing.”¹ Accordingly, the Division of Public Utilities (Division) files this responsive pleading.

¹ Scheduling Order at p. 2 (emphasis in the original).

Statement of Facts to be Established

1. The April 10, 2019 Hazardous Facility Order is still in effect.
2. Pacific Energy & Mining Company (PEMC) as of a certain date resigned as operator for the Paradox Pipeline.²
3. Dead Horse Oil Company, LLC (Dead Horse) as of a certain date assumed operation of the Paradox Pipeline and remains the operator.
4. The Paradox Pipeline is not scheduled to resume regular operation for many months.
5. Ownership of the Paradox Pipeline.

Legal Issues to be Resolved

None

Relief Sought at Hearing

The Division seeks a Commission order mandating:

1. Deactivation of the Paradox Pipeline, in a manner compliant with all applicable regulations, by February 1, 2020, and
2. For each day after February 1, 2020, that the Paradox Pipeline is not deactivated, a civil penalty of not more than \$100,000 for each violation for each day, but not to exceed \$1,000,000 for any series of related violations, to be assessed, as appropriate, against PEMC; Dead Horse; JMD Resources, Inc.; and Entrada Enterprises LLC., and any other appropriate person. The Division urges the Commission to assess the maximum penalty available.

DATED this 18th day of November 2019.



Patricia E. Schmid
Attorney for the Utah Division
of Public Utilities

² PEMC filed for Chapter 11 bankruptcy in the United States Bankruptcy Court, District of Utah, Docket No. 19-25030. The case has been converted to a Chapter 7. Mr. George Hofman and Cohne Kinghorn P.C. have been appointed as trustee for PEMC and trustee's counsel, respectively. See docket sheet in Pacific Energy & Mining Company, Docket No. 19-25030.