

DOMENICI LAW FIRM, P.C.

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April 5, 2006

VIA FACSIMILE FILING 505-476-3462

Total Fax 21 pages

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Matter of the Application of DKD, LLC for an Order Directing Gandy Corporation to Sell
Case, Lea County, New Mexico; Case No. 13686

Dear Ms. Davidson:

Please find attached Intervenor Gandy-Marley's *Response to DKD's Application for Emergency Order* for filing in the above captioned case.

Thank you for your courtesies.

Sincerely,
DOMENICI LAW FIRM, P.C.



Charles N. Lakins, Esq.

cc: 1679
J. Scott Hall, Attorney for DKD

2006 APR 5 AM 9 53

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONVERSION DIVISION**

**IN THE MATTER OF THE APPLICATION OF
DKD, LLC FOR AN ORDER REVOKING THE
INJECTION AUTHORITY FOR THE GANDY
CORPORATION STATE "T" WELL NO. 2,
LEA COUNTY, NEW MEXICO**

CASE NO. 13686

**INTERVENOR'S RESPONSE TO
DKD'S APPLICATION FOR EMERGENCY ORDER**

Gandy Corporation ("Gandy") through its undersigned counsel, Domenici Law Firm, P.C. (Charles N. Lakins, Esq.), hereby submits the following in response to DKD, LLC's Application for Emergency Order terminating Gandy Corporation's injection operations through its State "T" Well No. 2.

1. Gandy is the owner and operator of the State "T" Well No. 2 (API No. 30-025-03735), located 4290' FSL and 500' FWL, Lot 12, Section 6, Township 16 South, Range 36 East, NMPM, in Lea County, New Mexico.
2. Gandy is currently operating its State "T" Well No. 2 under the authority of Division Order No. IPI-264, dated December 19, 2005. See attached Exhibit A (two pages).
3. Division Order No. IPI-264 authorized Gandy to increase the surface injection pressure on the well to a maximum surface injection pressure of 1,930 PSIG.
4. Gandy denies DKD's assertion that Gandy has failed to conduct injection operations to ensure inject fluids remain in the authorized injection intervals as permitted by the Division.
5. Gandy denies DKD's assertion that as a result of Gandy's operations, injected waters have been permitted to escape to other formations or onto the surface.

6. Gandy denies DKD's assertion that Gandy's operation of the State "T" No. 2 well is causing damage to other wells in section 6, denies DKD's assertion that there is a reasonable likelihood of future damage, and denies DKD's assertion that there is a reasonable likelihood that contamination of fresh waters may occur if Gandy's operations are allowed to continue.
7. Gandy denies DKD's assertion that Gandy has failed to submit monthly reports of disposal operations and disposition of produced waters in accordance with the Division's Rules. Attached to this response are Gandy's Monthly Operator Report(s) for each month from January 2005 through February 2006. See attached Exhibit B (14 pages).
8. Gandy denies DKD's assertion that Gandy has failed to notify the Division of any possible mechanical failure or the leakage of fluids from the State "T" Well No. 2. Gandy has experienced no mechanical failures or leakage of fluids from the well.
9. DKD asserts that there is a reasonable likelihood that a hearing on the merits of DKD's Amended Application may be further delayed. DKD filed its Amended Application on March 27, 2006, after the April 27, 2006 hearing date had been set. In its Amended Application, DKD requested a change in relief from a request to show cause to a request that Gandy's well immediately be plugged and abandoned. Any delay that may result due to DKD's change in requested relief will be due to the actions of DKD, not due to the actions of Gandy.
10. If a delay occurs due to DKD's change in requested relief, such delay does not entitle DKD to an emergency order that Gandy immediately shut in its well, when the only well of DKD's that is allegedly impacted is a well that DKD has previously notified the Division was being plugged and abandoned.
11. Gandy does not believe that there is a reasonable likelihood that the April 27, 2006 hearing on the merits will be further delayed. That date is 23 days from the date DKD's Emergency

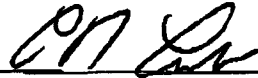
- Application was filed. There is no justifiable reason for Gandy to terminate its injection operations before a hearing on the merits that is scheduled three weeks in the future.
12. DKD does not have standing to request relief on the behalf of any other well owner or operator. No other well owner or operator has entered an appearance in this matter, or made any allegation of injury caused to their well by Gandy's State "T" Well No. 2.
 13. The only well owned or operated by DKD that DKD has alleged any impact to is the Snyder "A" No. 1 Well (API No. 30-025-34197), which is located on Gandy's surface estate.
 14. In December 2002, the previous owner of the Snyder "A" No. 1 Well, Energen Resources Corporation, reported to the Oil Conservation Division that the well would not blow down, and that it's engineering department was looking at zones behind the pipe.
 15. The last reported effort at production of the Snyder "A" No. 1 Well in October 2004 failed to produce.
 16. In its "Application of DKD, LLC for an order directing Gandy Corporation to Show Cause", OCD Case No. 13,686, at Paragraph 14, DKD stated that in mid May 2005 it was determined that the Snyder "A" Well No. 1 had experienced a casing collapse at approximately 8825', and that the well has since been plugged and abandoned.
 17. The Snyder "A" Well No. 1 has not been plugged and abandoned.
 18. In December 2005, DKD requested a one-year extension to plug and abandon the Snyder "A" Well No. 1. The Division granted a six-month extension to June 15, 2006.
 19. A recent field inspection of the Snyder "A" Well No. 1 reflected an extremely unsafe condition on the wellhead. As it exists, the well it is not properly capped, it is known to have a bad casing, approximately 800 pounds of pressure are indicated, and the top of the well has only a stuffing box and rods.

20. If DKD's Snyder "A" Well No. 1 were properly plugged and abandoned, as DKD previously notified the Division that it intended to do, DKD could not make any claim of the alleged injury that it now makes, and DKD would have no standing to request the relief that it now asks the Oil Conservation Division to grant.

WHEREFORE, Gandy Corporation requests that the Division:

1. Deny all relief requested in DKD's Emergency Application.

Respectfully Submitted,
DOMENICI LAW FIRM, P.C.

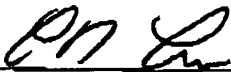


Charles N. Lakins, Esq.
Attorneys for Gandy Corporation.
320 Gold Avenue SW, Suite 1000
Albuquerque, NM 87102
(505) 883-6250

I certify that on the 5th day of April 2006, a true and correct copy of the foregoing was faxed to the following:

Ted Apodaca, Esq.
Energy Minerals & Natural Resources Dept.
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505) 476-3462

J. Scott Hall, Esq.
Attorney for DKD, LLC
PO Box 1986
Santa Fe, NM 87504
(505) 989-9857



Charles N. Lakins, Esq.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

December 19, 2005

Mark E. Le...

Director

Oil Conservation Division

Division Order No. IPI-264

Gandy Corporation
P.O. Box 827
Tatum, New Mexico 88267

Attention: Mr. Larry Gandy

**RE: Injection Pressure Increase
State "T" Well No. 2
Lea County, New Mexico**

Dear Mr. Gandy:

Reference is made to your request received by the Division on December 15, 2005, to increase the surface injection pressure on the State "T" Well No. 2. This request is based on a step rate test conducted on the well on November 23, 2005. The results of the step rate test show that an increase in the surface injection pressure for this well is justified and will not result in the fracturing of the injection formation and confining strata.

You are therefore authorized to increase the surface injection pressure on the following well:

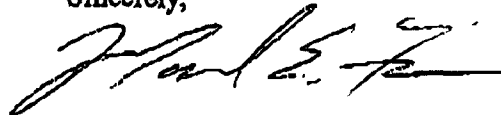
WELL NAME & NUMBER	MAXIMUM SURFACE INJECTION PRESSURE
State "T" Well No. 2 API No. 30-025-03735 Unit L, Section 6, T-16 South, R-36 East, NMPM, Lea County, New Mexico	1930 PSIG

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected fluid is not being confined to the injection zone or is endangering any fresh water aquifers.



*Injection Pressure Increase
Gandy Corporation
December 19, 2005
Page 2*

Sincerely,



Mark E. Fesmire, P.E.
Division Director

cc: Oil Conservation Division - Hobbs
File: Case No. 13293

District I

1025 N. French Dr., Hobbs, NM 88240

District II

811 S. First St., Azusa, NM 88201

District III

1000 Rio Grande, Azusa, NM 88201

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 S. St. Francis Dr.

Santa Fe, NM 87504

OPERATOR'S MONTHLY REPORT

1



Amended Report

Form O-115 First Page
Revised May, 1987

2 Operator GANDY CORPORATION

3 OGRID: 008426

4 Month/Year 01/05

5 Address: c/o Oil Reports & Gas Services, Inc. 10818 W. Broadway, Hobbs, NM 88240

6 Page 1 of 1

2 Operator	GANDY CORPORATION										3 OGRND:	008426	4 Month/Year	01/05													
5 Address:	c/o Oil Reports & Gas Services, Inc. 1068 W. Broadway, Hobbs, NM 88240										6 Page 1 of 1																
INJECTION														PRODUCTION				DISPOSITION OF OIL, GAS, AND WATER									
1 POOL NO. AND NAME Property No. and Name Well No. L-S-T-9 Acreage.														2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23													
14270 CROSSROADS SA EAST 00468 BRAZEL STATE 001 J-07-10S-37E 30-025-27455														P 9 10 Pressure Barrels of Oil produced Barrels of water produced MCF Gas Produced Days Prod. used Rate of Disposition Gas BTU or Oil Acre Footage of month Volume (Bbls/mo) Transport. Cost Oil on hand at end of month													
98106 GLORETIA SMO 033114 STATE T 002 L-5-16S-36E 30-025-03735														D 78134 350 119 357 0 31 0 00867410 W 0087450 22.2 175 150 357 015894 144													

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.
24

Signature

Key/Morrell, Production
Printed Name & Title02/14/2005
Date(505) 393-2227
Phone Number

District

J. S. A. French, D. French, NM 88240

District II

J. S. A. French, D. French, NM 88240

District III

J. S. A. French, D. French, NM 88240

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 S. St. Francis Dr.

Santa Fe, NM 87504

OPERATOR'S MONTHLY REPORT

Form O-115 First Page
Revised May 1997☐ Amended Report

2 Operator GANDY CORPORATION

5 Address: c/o Oil Reports & Gas Services, Inc. 1808 W. Broadway, Hobbs, NM 88240

3 OGRD: 008426

4 Month/Year 02/05

6 Page 1 of 1

2 Operator		GANDY CORPORATION		3 OGRIC		408425		4 Month/Year 02/05									
5 Address:		cd Oil Reports & Gas Services, Inc. 1800 W. Broadway, Hobbs, NM 88240										6 Page 1 of 1					
7		INJECTION			PRODUCTION			DISPOSITION OF OIL, GAS, AND WATER									
8		9		10		11		12		13		14		15			
EQUIP. NO. AND NAME Property No. and Name Well No. K.U.L.S. 1-8 API No.		C O D E		9 Volume		10 Pressure		11 Barrels of Oil/Gas produced		12 Barrels of Water produced		13 MCF Gas Produced		14 Days Prod. used		15 C O D E	
16		17		18		19		20		21		22		23		24	
1.4270 CROSSROADS SA EAST 004638 BRAZIL STATE 001 J-87-10S-37E 30-825-27465		P						86		288		0		26		0	
98108 GLOBETIA SWD 033114 STATE T 002 L-8-18S-38E 30-825-03735		D		66146		350											

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.
24

Signature

Key Maxwell Production
Printed Name & Title04/05/2005
Date(505) 393-2727
Phone Number

District I
 1225 N. Franklin Dr., Hobbs, N.M. 88240
 District II
 1115 S. First St., Alamogordo, N.M. 88001
 District III
 1100 S. Broadway, Albuquerque, N.M. 87102

State of New Mexico
 Oil, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 S. St. Francis Dr.
 Santa Fe, NM 87504
OPERATOR'S MONTHLY REPORT

Form O-115 First Page
 Revised May, 1987

☐ Amended Report

2 Operator GANDY CORPORATION										3 OGRID: NOB426		4 Month/Year: 03/05											
5 Address: c/o Oil Reports & Gas Services, Inc. 1008 W. Broadway, Hobbs, NM 88240																							
6 Page 1 of 1																							
7		INJECTION			PRODUCTION				DISPOSITION OF OIL, GAS, AND WATER														
POOL NO. AND NAME	Producing No. and Name	Well No. LUL, S-F-R	API No.	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23				
				C	D	E	C	D	E	C	D	E	C	D	E	C	D	E	C				
				Volume	Pressure	Barrels of oil produced	Barrels of water produced	MCF Gas Produced	Days Prod. used	Point of Disposition	Barrels of Gas BTU or OIAPI	Quantified at beginning of month	Volume (Barrels)	Transporter	Days	Barrels at end of month							
74270 CROSSROADS, SA. EAST 004469 BRAZIL STATE 001 J-07-105-37E 30-025-27455				P						123	368	0	29	O	0887410	W	0587450		61	0	015684		204
58105 GLOBEIA SMD 037114 STATE T 002 L-6-16S-38E 30-025-03735				D		83518	1300																

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.
 24
 Signature Key Maxwell, Production Printed Name & Title
 Date 04/29/2005 Phone Number (505) 383-2727

District I
Jesse N. Francis, Jr., Hobbs, NM 88240
District II
Sandra P. Francis, Hobbs, NM 88240
District III
Sandra P. Francis, Hobbs, NM 88240

Sale of New Mexico
Energy Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 S. St. Francis Dr.
Santa Fe, NM 87504
OPERATOR'S MONTHLY REPORT

Form O-115 (Rev. 11/97)
Revised May 1997
1 ☐ Assented Report

2 Operator		3 OGRID		4 Month/Year													
GANDY CORPORATION		008425		04/05													
5 Address: c/o Off Reports & Gas Services, Inc. 1008 W. Broadway, Hobbs, NM 88240																	
6 Page 1 of 1																	
7 POOL NO. AND NAME		INJECTION		PRODUCTION		DISPOSITION OF OIL, GAS, AND WATER											
Property No. and Address Vest No. & U.G. & T-15 APNs		8 C O D E	9 Volume	10 Pressure	11 C O D E	12 Barrels of Discovered oil produced	13 Barrels of water produced	14 MCF Gas Produced	15 Days Prod used	16 C O D E	17 Point of Disposition	18 Gross BTU or OIL API Gravity	19 Observed & Volumetric of month	20 Volume (Barrels)	21 Transport Opd	22 C O D E	23 Oil on hand at end of month
14270 CROSSROADS SA EAST 004458 BRAZIEL STATE 001 J-07-405-37E 30-025-47455		P				31	93	0	10	0	0987418 W 0987450	22.2	204	150 53	015894		85
96106 GIOBIETA SMD 003114 STATE T 002 L-F-16S-38E 30-025-03735		D	72771	750													

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.
24
Signature Key Maxwell, Production Printed Name & Title
Date 05/13/2005 Phone Number (505) 383-2727

District I
 1220 S. St. Francis Dr.
 Santa Fe, NM 87504
 District II
 1220 S. St. Francis Dr.
 Santa Fe, NM 87504
 District III
 1220 S. St. Francis Dr.
 Santa Fe, NM 87504

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 S. St. Francis Dr.
 Santa Fe, NM 87504
OPERATOR'S MONTHLY REPORT

Form O-115 First Page
 Revised May, 1997

☐ Amended Report

2 Operator GANDY CORPORATION										3 OGRID: 000426		4 Monthly Year 05/05						
5 Address: c/o Oil Reports & Gas Services, Inc. 1009 W. Broadway, Hobbs, NM 88240										6 Page 1 of 1								
7			INJECTION			PRODUCTION			DISPOSITION OF OIL, GAS, AND WATER									
POOL NO. AND NAME Property No. and Name Well No. & U.L.S. F.R. APN No.			8 C O D E	9 Volume	10 Pressure	11 C O D E	12 Barrels of Oil Produced	13 Barrels of Water Produced	14 MCF Produced	15 Days Produced	16 C O D E	17 Point of Disposition	18 Gas BTU or Oil API Gravity	19 Oil out- lined beginning of month	20 Volume (Estimated)	21 Transport Costs Paid	22 C O D E	23 Oil out- lined end of month
1427M CROSSROADS SA. EAST 004468 BRAZIL STATE 001 J-07-108-37E 30-025-27455			P				139	417	0	30	O	0587410 W 038745D	22.0	85	148 417	015694		75
288788 GHEBETZANO 003114 STATE T 002 L-6-189-36E 30-025-03735			D	45928	250 WY													

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.

Signature Key Maxwell, Production Date 07/11/2005
 Printed Name & Title Key Maxwell, Production Phone Number (505) 339-2727

District I
 625 N. French Dr., P.O. Box 1000
 District II
 812 First St., Apt. 101, N.M. 88202
 District III
 1000 Rio Grande Ave., 88407

State of New Mexico
 Energy Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
 1220 S. St. Francis Dr.
 Santa Fe, NM 87504
OPERATOR'S MONTHLY REPORT

Form C-110, First Page
 Revised May, 1997

☐ Amended Report

2 Operator		3 OGRID: 008426		4 Month/Year 08/05									
5 Address: c/o Oil Reports & Gas Services, Inc. 1008 W. Broadway, Hobbs, NM 88240													
6 Page 1 of 1													
2		INJECTION		PRODUCTION		DISPOSITION OF OIL, GAS, AND WATER							
POD NO. AND NAME Property No. and Name Well No. & O.L.S. No. AP/Bo.	1 C O D E	2 9 Volume	3 18 Pressure D E	4 2 Barrels of Oil/Water Produced	5 3 Barrels of Water Produced	6 4 MCF of Gas Produced	7 5 Days of Prod. Used	8 6 Point of Disposition	9 7 Gas BTU or (GAL) if Gravity	10 8 Oil/Water at beginning of month	11 9 Volume (Barrels)	12 10 Temperature C/F	13 11 Oil/Water at end of month
14278 CROSSROADS, SA. EAST 004458 BRAZIL STATE 001 J-07-185-37E 30-025-27455	P			110	330	0	30	O 0987410 W 0987480		75	0	015694	185
95108 GLOBEITA SMO 033114 STATE T 002L-6-185-38E 30-025-08735	D	77294	350 W										

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.

24

Signature Key Maxwell, Production
 Printed Name & Title

Date 07/19/2005 (315) 330-2727
 Phone Number

Discedil

1220 S. St. Francis Dr., Santa Fe, NM 87504

Discedil

800 S. First St., Santa Fe, NM 87504

Discedil

1000 Rio Grande, Santa Fe, NM 87504

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 S. St. Francis Dr.

Santa Fe, NM 87504

OPERATOR'S MONTHLY REPORT

1 ☐ Amended ReportForm O-1, First Page
Revised May, 1997

2 Operator GANDY CORPORATION

3 OGRID: 008426

4 Month/Year 07/05

5 Address: c/o Oil Reports & Gas Services, Inc. 1008 W. Broadway, Hobbs, NM 88240

6 Page 1 of 1

7 POOL NO. AND NAME Properties, and Name Volume, 6-44-2-1-1 AFFIN.	INJECTION			PRODUCTION				DISPOSITION OF OIL, GAS, AND WATER								
	8 C D D D E 1	9 Volume	10 Pressure	11 C D D E 2	12 Barrels of Oil Produced	13 D Barrels of water produced	14 K Mcf Gas Produced	15 B Days Produced	16 C D E 3	17 Point of Disposition	18 B Gas BTU or Oil API Gravity	19 B Oil on hand at beginning of month	20 Volume Produced	21 Temperature of oil	22 C D E 4	23 Oil on hand at end of month
14278 CROSSROADS SA. EAST 004453 BRAZIL STATE 001 J-07-10S-37E 30-025-27-455	P				110	330	0	31	0	0087/410 W 0087/450		185	147 330	016694		148
96106 GLOBETASWD 003114 STATE T 002 L-6-16S-36E 30-025-03735	D	77591	150 W													

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.
24Signature _____ Key MacNeill, Production
Printed Name & Title09/13/2005 (505) 393-2727
Date Phone Number

District
 825 N. Pk.
 District
 815 S. Pk.
 District
 8100 7500 Bypass, New Mexico

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 S. St. Francis Dr.
 Santa Fe, NM 87504
OPERATOR'S MONTHLY REPORT

Form O-115 First Page
 Revised May, 1997

☐ Amended Report

2 Operator		GANDY CORPORATION		3 OGRID: 008426		4 Monthly Year 08/05										
5 Address:		c/o Oil Reports & Gas Services, Inc. 1008 W. Broadway, Hobbs, NM 88240														
6 Page 1 of 1																
7		INJECTION		PRODUCTION		DISPOSITION OF OIL, GAS, AND WATER										
POOL NO. AND NAME	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Property No. and Tract Well No. & U.S. A.P.I. No.	Volume	Pressure	Barrels of Oil Produced	Barrels of Water Produced	MCF Gas Produced	Days Prod. used	Prod. Disposition	Gas BTU or Oil A.P.I. Gravity	Oil on hand beginning of month	Volume (Bbls-mo)	Transp. Opn	Oil on hand end of month				
14270 CROSSEBROOKS SA EAST 004458 BRAZEL STATE 001 J-07-10S-37E 30-026-27455	P			116	348	8	31	0	0967410	W	0967450	21.5	148	149	015694	115
96106 GLOBIETA SWD 003114 STATE T 002 L-6-16S-36E 30-025-03735	D	93644	150 W													

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.

Signature
 Key Maxwell, Production
 Printed Name & Title

Date
 09/14/2005
 Phone Number
 (505) 393-2727

District I
 823 N. French Dr., Hobbs, NM 88240

District II

ms. Frs. St. Anthony, Albuquerque
District III

000 Rio Grande, Artesa, NM 88470

State of New Mexico
 Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 S. BL Francis Dr.
 Santa Fe, NM 87504

OPERATOR'S MONTHLY REPORT

Form O-115 First Page
 Revised May, 1997

☐ Amended Report

2 Operator		GANDY CORPORATION		3 OGRIC: 008425		4 Monthly Year 09/05									
5 Address: c/o Oil Reports & Gas Services, Inc. 1008 W. Broadway, Hobbs, NM 88240															
6 Page 1 of 1															
7		INJECTION		PRODUCTION		DISPOSITION OF OIL, GAS, AND WATER									
POOL NO. AND NAME Property No. and Name Well No. & U/L & T/F API No.	8 C D D E 1	9 Volume	10 Pressure	11 C D D E 2	12 Barrels of Oil/conden- sate produced	13 Barrels of water produced	14 MCF Gas Produced	15 Days Prod. and 16 C D D E 3	17 Feet of Deposition	18 Gas BTU or Oil API Quality	19 C D D E 4	20 Oil/cond beginning of month (Barrels)	21 Volume (Barrels)	22 Transporter Dipht C D D E 5	23 Oil on hand at end of month
1422B CROSSROADS, SA. EAST 00465B BRAZIL STATE 001 J-07-10S-37E 30-025-27455	P				106	318	0	30	00907410 W 00807450	21.8		115	148 318	015694	73
95106 GLOBETASWD 033114 STATE T 002 L-6-16S-36E 30-025-03735	D	65622	210W												

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.
 24

Signature Key Maxwell, Production
 Printed Name & Title

Date 11/08/2005
 Phone Number (505) 393-2727

District I

325 N. Franklin Dr., Hobbs, NM 88240

District II

618 E. First St., Alamogordo, NM 88001

District III

1000 Rio Blanco Ave., NM 88470

State of New Mexico

Energy Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 S. St. Francis Dr.

Santa Fe, NM 87504

OPERATOR'S MONTHLY REPORT

Form O-115 First Page
Revised May, 1997☐ Amended Report

2 Operator GANDY CORPORATION

3 OGPID: 008426

4 Month/Year 10/05

5 Address: c/o Oil Reports & Gas Services, Inc. 1008 W. Broadway, Hobbs, NM 88240

6 Page 1 of 1

GANDY CORPORATION										3 OGPID: 008426		4 Monthly Year 10/05																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
5 Address: c/o Oil Reports & Gas Services, Inc. 1088 W. Broadway, Hobbs, NM 88240										6 Page 1 of 1																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
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7 POOL NO. AND NAME Property No. and Name Volume & Oil & Gas API No.										8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
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I hereby certify that the information contained in this report is true and complete to the best of my knowledge.
24

Signature

Key Maxwell Production
Printed Name & Title11/08/2005
Date(505) 393-2727
Phone Number

CC-0 Pto Brn 025, A2020, PUM 64710

1220 S. St. Francis Dr
Santa Fe, NM 87504

OPERATOR'S MONTHLY REPORT

Form O-115 First Page
Revised May, 1987

01/23/2006 (505) 393-2727
Date Phone Number

District I

1520 N French Dr, Hobbs, NM 88240

District II

301 S. First St., Amarillo, NM 89010

District III

1000 Rio Blanco, Aztec, NM 86470

State of New Mexico

Department of Natural Resources

OIL CONSERVATION DIVISION

1220 S. St. Francis Dr
Santa Fe, NM 87504

OPERATOR'S MONTHLY REPORT

Form O-115 First Per
Revised May, 1987☐ Amended Report

2 Operator GANDY CORPORATION

3 OGRID: 008426

4 Month/Year 12/05

5 Address: c/o Oil Reports & Gas Services, Inc. 1008 W. Broadway, Hobbs, NM 88240

6 Page 1 of 1

2 Operator	GANDY CORPORATION	3 OGRID:	008426	4 Month/Year	12/05											
5 Address:	c/o Oil Reports & Gas Services, Inc. 1008 W. Broadway, Hobbs, NM 88240			6 Page 1 of 1												
7		INJECTION		PRODUCTION		DISPOSITION OF OIL, GAS, AND WATER										
8		9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
POOL NO. AND NAME Property, Acre, and Name Volume, & U-G-T-R APR No.		C O D E	Volume	Pressure	Barrels of oil-water produced	Barrels of water produced	Mcf of Gas Produced	Days Prod. used	C O D E	Publ. of Disposition	Gas BTU or Oil APT (Barrel)	Oil on hand at beginning of month	Volume (Barrels)	Temperature of oil	C O D E	Oil on hand at end of month
14270 CROSSROADS, SA. EAST 084458 BRAZIEL STATE 001 J-07-10S-37E 30-025-27455		P			118	354		31	O	0987410 WY 0987450	21.3	161	145 354	015584		136
96106 GLOBE/ETA SMD 033114 STATE T 002 L-6-16S-36E 30-025-03735		D	48272	210W												

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.
24

Signature

Kay Maxwell, Production
Printed Name & Title01/24/2006
Date(505) 383-6727
Phone Number

District 1

Brazos River, Hobbs, NM 88240

District 1

Mile Post 8, Arroyo, NM 88240

District 1

Box 10, Brazos, Arroyo, NM 88240

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 S. St. Francis Dr.

Santa Fe, NM 87504

OPERATOR'S MONTHLY REPORT

1 ☐ Amended Report

Form O-115 First Page

Revised May, 1997

2 Operator GANDY CORPORATION

3 OGRID: 008-426

4 Month/Year 01/06

5 Address: c/o Oil Reports & Gas Services, Inc. 1000 W. Broadway, Hobbs, NM 88240

6 Page 1 of 1

2 Operator		GANDY CORPORATION		3 OGRID: 008-026		4 Month/Year 01/05																				
5 Address: c/o Oil Reports & Gas Services, Inc. 1008 W. Broadway Hobbs, NM 88240				6 Page 1 of 1																						
		INJECTION		PRODUCTION		DISPOSITION OF OIL, GAS, AND WATER																				
7 POOL NO. AND NAME Property No. and Name Well No. & U/L S-T-F APR No.		8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23									
		C	O	D	S	I	Barrels of Oil Produced	Barrels of Water Produced	MCF Gas Produced	Days Produced	C	O	D	S	I	Point of Disposition	Barrels or Oil API Gravity	Oil on hand at beginning of month	Volume (Gallons)	Transport Cost Dollars	C	O	D	S	I	Oil on hand at end of month
14270 CROSSROADS, SA. EAST 004468 BRAZIL STATE 001 J-07-10S-37E 30-026-27465		P					108	324	0	31	O					0987410 0987450	21.6	134	150 324	015694						92
96106 CLONETA SWD 033114 STATE T 002 L-F-16S-36E 30-026-03736		D	43360				1380 W																			

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.

24

Signature Key Maxwell Production
Printed Name & TitleDate 03/09/2006 (505) 393-2721
Phone Number

District I
Karl W. Hobbie, Jr. Hobbs, NM 88240

District II
Cris A. Albrecht, Jr. Hobbs, NM 88240

District III
John R. Brazos, Alamogordo, NM 88001

State of New Mexico
Energy, Minerals & Natural Resources Department
CONSERVATION DIVISION
1220 S. St. Francis Dr.
Santa Fe, NM 87504

OPERATOR'S MONTHLY REPORT

Form O-115 From Page
Revised May 1997

☐ Amended Report

2 Operator CANDY CORPORATION		3 OGRID: 008426		4 Month/Year 02/06												
5 Address: c/o Oil Reports & Gas Services, Inc. 1008 W. Broadway, Hobbs, NM 88240																
6 Page 1 of 1																
7		INJECTION		PRODUCTION		DISPOSITION OF OIL, GAS, AND WATER										
POOL NO. AND NAME Property, Loc. and Name Volume, a U.S. G. T. R. APR No.	8 C O D E	9 Volume	10 Pressure	11 C O D E	12 Barrels of Oil Produced	13 Barrels of Water Produced	14 MCF Gas Produced	15 Days Prod.	16 C O D E	17 Point of Disposition	18 Base BTU or Oil API Gravity	19 Oil on hand at beginning of month	20 Volume (barrels)	21 Transporter Owned	22 C O D E	23 Oil on hand at end of month
14270 CROSSROADS, SA EAST 004458 BRAZEL STATE 001 J-07-106-37E 30-025-27455	P				106	315	0	28	C	0987410 W 0987450		92	0	015634		197
98106 GIORIETA SWD 033114 STATE T 002 L-6-163-36E 34-025-83735	D	46776	1380 W													

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.

24

Signature

Key Maxwell Production
Printed Name & Title

03/09/2006
Date

(505) 363-2722
Phone Number