



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joaquin Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

March 26, 2007

Mr. Christopher Jeffries
C&D Management Co., dba Freedom Ventures
513 Don Lyle Rd.
Elmonton, KY 42129

**Re: C&D Management Co., dba Freedom Ventures, OGRID 231382
Agreed Compliance Order 171**

Dear Mr. Jeffries,

Thank you for returning two originals of the signed agreed compliance order for C&D Management Co. (C&D), and the check for \$3,000 for the first penalty payment due under the terms of the order. I have enclosed a fully executed original order.

The second \$3,000 penalty payment is due 30 days after execution of the order, which is April 25, 2007.

The remaining \$18,000 of the penalty will be waived provided that C&D:

1. completes remediation at the Hastie #20 by May 1, 2007;
2. posts required signs at all wells no later than May 1, 2007;
3. either properly plugs, or brings into production, the Shearn Becky Federal #001, Shearn Freedom Federal #002, Shearn Samantha Federal #001, Shearn Shilo Federal #001, and the Muncy Federal #002 no later than September 20, 2007;
4. files completion reports on the Shearn Becky Federal #001 and Shearn Freedom Federal #002 by May 1, 2007; and
5. files all overdue Form C-115s (production and injection reports) on all wells no later than June 1, 2007.

Please note that the order provides that C&D may not transport from or inject into its wells until it has filed C-115s acceptable to the Oil Conservation Division through the March 2006 reporting period.

If you have any questions, please do not hesitate to contact me. My direct phone line is (505) 476-3451, or you may contact me by e-mail at gail.macquesten@state.nm.us.

Sincerely,

Gail MacQuستن
Attorney, Oil Conservation Division

cc: Daniel Sanchez, Compliance and Enforcement Manager
Chris Williams, District I
Tim Gum, District II
Charlie Perrin, District III
David Bradshaw, OCD Automation and Records Bureau

C & D Management Company
dba
Freedom Ventures Company
Case 14055
OCD Exhibit No. 9