



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

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

March 16, 2007

Certified Mail No.: 7004 2510 0006 6624 4023

Chris Jeffries, Vice President
C&D Management Co., d/b/a, Freedom Ventures Co.
513 Don Lyle Road
Edmonton, Kentucky 42129

Re: Agreed Compliance Order to Resolve NOV on All Wells
Violations: OCD Rule 13.B [19.15.1.13 NMAC]
OCD Rule 50.A, C(2)(b)(i) [19.15.2.50 NMAC]
OCD Rule 103 [19.15.3.103 NMAC]
OCD Rule 117 [19.15.3.117 NMAC]
OCD Rule 201.B [19.15.4.201.B NMAC]
OCD Rule 1115 [19.15.13.1115 NMAC]

Dear Mr. Jeffries:

Pursuant to the March 12, 2007 administrative conference between Chris Jeffries and OCD personnel (Tim Gum, Mike Bratcher, Daniel Sanchez and Cheryl O'Connor), enclosed are two originals of an Agreed Order Directing Compliance and Assessing Civil Penalty (hereinafter, "Agreed Compliance Order" or "ACO"). The ACO recites the violations that occurred and the penalties that have been imposed against Ameristate and that Ameristate agrees to the findings set out therein.

You will note that C&D Management Co., dba, Freedom Ventures Co., must submit \$3,000.00 of the penalty to the OCD with the executed Agreed Compliance Order. The remaining \$3,000.00 is due thirty days later.

Please review the Agreed Compliance Order. If it meets with your approval, execute both originals and return both to me at the Santa Fe OCD office. Once the ACO is received, Mark Fesmire, OCD Director, will execute. One fully executed original for will be returned to you.

Case 14055 De Novo
C&D Management Company
dba Freedom Ventures Company
OCD Exhibit No. 25

Chris Jeffries, Vice President
C&D Management Co., dba, Freedom Ventures Co.
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If you have any questions, do not hesitate to contact me at 505-476-3480.

Very truly yours,



Cheryl O'Connor
Assistant General Counsel

pc: Daniel Sanchez, OCD Compliance Director
Tim Gum, OCD District II Supervisor
Mike Bratcher, OCD District II Inspector
Thomas Kizer, C&D Management Co.
oilfreedom@aol.com

Encl. - 2 Originals of the Agreed Compliance Order