

**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. 12733
ORDER NO. R-11710**

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
THROUGH THE SUPERVISOR OF THE DISTRICT II ARTESIA OFFICE FOR
AN ORDER REQUIRING OPERATORS TO BRING NINETY-EIGHT (98)
WELLS INTO COMPLIANCE WITH RULE 201.B AND ASSESSING
APPROPRIATE CIVIL PENALTIES; EDDY AND CHAVES COUNTIES, NEW
MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 4, 2001, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 15th day of January, 2002, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) There are twenty (20) respondents named in this Application. At the hearing, the New Mexico Oil Conservation Division ("the Division") appeared through counsel, and Respondents ExxonMobil Corporation ("ExxonMobil"), The Wiser Oil Company ("Wiser") and Julian Ard appeared through counsel. The remaining respondents named in the Application did not appear, either by filing written appearance or by appearance at the hearing.

(3) The Division seeks an order directing the named respondents to bring certain wells into compliance with Division Rule 201.B, either by: (i) restoring these wells to production or other Division-approved beneficial use; (ii) causing these wells to be properly plugged and abandoned in accordance with Division Rule 202.B; or (iii)

securing Division authority to maintain these wells in temporary abandonment status, in accordance with Division Rule 203.

(4) The Application alleges that Roy E. Kimsey, Jr. is the operator of the Flyer Well No. 1 (API No. 30-015-24360) located in Unit F of Section 27, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico, and that said well is inactive and not in compliance with Division Rule 201.B.

(5) However, the attorney for the Division represented that the Flyer Well No. 1 has been restored to production, and requested that this case be dismissed as to Roy E. Kimsey, Jr.

(6) The Application alleges that Stevens Operating Corp. is the operator of the following wells in Chaves County, New Mexico, and that said wells are inactive and not in compliance with Division Rule 201.B:

O'Brien "C" Well No. 1 (API No. 30-005-10188) Unit M, Section 1, T-9S, R-28E
O'Brien "C" Well No. 4 (API No. 30-005-60330) Unit L, Section 1, T-9S, R-28E
O'Brien "DQ" Well No. 1 (API No. 30-005-60731) Unit D, Section 30, T-7S, R-29E
O'Brien "DQ" Well No. 2 (API No. 30-005-61017) Unit N, Section 30, T-7S, R-29E
O'Brien "EA" Well No. 1 (API No. 30-005-62240) Unit F, Section 33, T-7S, R-29E
West White Ranch Well No. 2 (API No. 30-005-10094) Unit H, Section 1, T-12S, R-28E

(7) However, the attorney for the Division represented that Stevens Operating Corp. is in bankruptcy, and requested that this case be dismissed as to Stevens Operating Corp.

(8) The attorney for the Division further represented that the following named respondents have agreed to bring the wells that they operate into compliance in accordance with a work plan approved by the supervisor of the Artesia District Office. The Division accordingly requested that the Application in this case, as to these operators and the wells operated by them, be severed, assigned a separate case number, and continued until the January 10, 2002 Examiner Docket, in order to allow these operators an opportunity to voluntarily bring their wells into compliance with Division rules. The operators as to whom the Division requested severance and continuance are:

Aceco Petroleum Company
Amtex Energy, Inc.
Bird Creek Resources, Inc.
Burnett Oil Co.
Dinero Operating Company

Lindenmuth & Associates, Inc.
Mar Oil & Gas Corp.
NGX Company
Read & Stevens, Inc.

(9) The Division's request to continue this case to the January 10, 2002 Examiner Docket as to the operators described above should be granted. The case to be heard on January 10, 2002 should be designated Case No. 12733-A.

(10) With respect to Carl Schellinger, the Division presented testimony that demonstrates:

(a) Carl Schellinger is the operator of two (2) wells in Eddy County, New Mexico, identified as follows:

Mahun State Well No. 1 (API No. 30-015-20138) Unit F, Section 16, T-22S, R-22E
Exxon Federal Well No. 1 (API No. 30-015-22407) Unit M, Section 29, T-16S, R-29E

(b) the Mahun State Well No. 1 has not produced any hydrocarbons since before 1997;

(c) the Division has, on several occasions, beginning in February, 1997, notified Carl Schellinger that the Mahun State Well No. 1 was not in compliance with Rule 201.B, and demanded that Carl Schellinger bring this well into compliance; and

(d) the Exxon Federal Well No. 1 is a gas well, but has not produced any gas or other hydrocarbons since January, 2000.

(11) Carl Schellinger's Mahun State Well No. 1 and Exxon Federal Well No. 1 are not in compliance with Division Rule 201.B.

(12) With regards to the Mahun State Well No. 1, Carl Schellinger knowingly and willfully failed to comply with OCD Rule 201.B for at least four (4) years. Pursuant to NMSA 1978 70-2-31.A, a civil penalty in the amount of four thousand dollars (\$4,000) (\$1,000 for each year of non-compliance) should be assessed against Carl Schellinger for this knowing and willful violation. With regards to the Exxon Federal Well No. 1, no civil penalty should be assessed.

(13) Carl Shellinger should be ordered to bring these wells into compliance with Division Rule 201.B.

(14) With respect to ExxonMobil, the Division presented testimony that demonstrates:

(a) ExxonMobil is the operator of three (3) wells in Eddy County, New Mexico, identified as follows:

Avalon Delaware Unit Well No. 364 (API No. 30-015-24770) Unit P, Section 25, T-20S, R-27E

Avalon Delaware Unit Well No. 562 (API No. 30-015-24377) Unit O, Section 31, T-20S, R-28E

Avalon Delaware Unit Well No. 916 (API No. 30-015-24687) Unit A, Section 6, T-21S, R-27E

(b) ExxonMobil has not reported production from or injection into any of the above-identified wells since before 1997; and

(c) the Division has notified ExxonMobil that the above-identified wells were not in compliance with Rule 201.B, and demanded that ExxonMobil bring these wells into compliance.

(15) ExxonMobil presented testimony that:

(a) the above-identified wells are water source wells for the Avalon Delaware Unit, which is currently an active waterflood project;

(b) all of the above-identified wells are currently producing water that is used for secondary recovery purposes in the Avalon Delaware Unit; and

(c) the Avalon Delaware Unit Wells No. 562 and 916 are each capable of producing, and in fact do produce, small volumes of oil.

(16) ExxonMobil was unable to explain why production from the above-identified wells was not reflected in the Division's records.

(17) The Division did not prove that ExxonMobil's above-referenced wells are out of compliance with Division Rule 201.B.

(18) ExxonMobil has failed to comply with the reporting requirements of Division Rule 1115 with respect to these wells. However, the Division did not prove that such failure was knowing and willful.

(19) ExxonMobil should be ordered to bring these wells into compliance with the reporting requirements of Division Rule 1115.

(20) With respect to General Minerals Corporation, the Division presented testimony that demonstrates:

(a) General Minerals Corporation is the operator of the Federal “CCC” Well No. 1 (API No. 30-015-25477) located in Unit K of Section 4, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico;

(b) the Federal “CCC” Well No. 1 has not produced any hydrocarbons since before 1997; and

(c) General Minerals Corporation was notified by letter dated September 8, 2000, referring to previous correspondence dated May 2000, to bring this well into compliance.

(21) General Minerals Corporation's Federal “CCC” Well No. 1 is not in compliance with Rule 201.B.

(22) General Minerals Corporation knowingly and willfully failed to comply with OCD Rule 201.B for at least one (1) year. Pursuant to NMSA 1978 70-2-31.A, a civil penalty in the amount of one thousand dollars (\$1,000) (\$1,000 for each year of non-compliance) should be assessed against General Minerals Corporation for this knowing and willful violation.

(23) General Minerals Corporation should be ordered to bring this well into compliance with Division Rule 201.B.

(24) With respect to Guadalupe Operating Co., LLC, the Division presented testimony that demonstrates:

(a) Guadalupe Operating Co., LLC is the operator of six (6) wells in Eddy County, New Mexico, identified as follows:

Yates Federal Well No. 2 (API No. 30-015-01176) Unit P, Section 6, T-20S, R-27E
Yates Federal Well No. 4 (API No. 30-015-01037) Unit D, Section 8, T-20S, R-27E
Yates Federal Well No. 10 (API No. 30-015-01024) Unit O, Section 6, T-20S, R-27E
Yates Federal Well No. 14 (API No. 30-015-01036) Unit C, Section 7, T-20S, R-27E
Yates Federal Well No. 17 (API No. 30-015-21097) Unit A, Section 7, T-20S, R-27E
Yates Federal Well No. 7 (API No. 30-015-01023) Unit J, Section 6, T-20S, R-27E

b) the Yates Federal Wells No. 2, 4, 10, 14 and 17 have not produced hydrocarbons since before 1997;

(c) the Yates Federal Well No. 7 is an injection well, but no injection into this well has been reported since October, 1997;

(d) Guadalupe Operating Co., LLC was notified by letter dated September 8, 2000, referring to previous correspondence dated May 2000, to bring these wells into compliance; and

(e) Guadalupe Operating Co., LLC has not responded to the Division's letters.

(25) Guadalupe Operating Co., LLC's above-identified wells are not in compliance with Division Rule 201.B.

(26) The Division did not recommend that a civil penalty be assessed against Guadalupe Operating Co., LLC.

(27) Guadalupe Operating Co., LLC should be ordered to bring these wells into compliance with Division Rule 201.B.

(28) With respect to Herman V. Wallis, the Division presented testimony that demonstrates:

(a) Herman V. Wallis is the operator of four (4) wells in Chaves County, New Mexico, identified as follows:

Federal "14" Well No. 1 (API No. 30-005-60491) Unit K, Section 14, T-14S, R-28E
Federal "14" Well No. 2 (API No. 30-005-60258) Unit D, Section 14, T-14S, R-28E
Lura Federal Well No. 1 (API No. 30-005-62081) Unit M, Section 10, T-14S, R-28E
State Com. Well No. 1 (API No. 30-005-60289) Unit O, Section 11, T-14S, R-28E

(b) none of the above-identified wells has produced hydrocarbons since before 1997;

(c) on or about May 11, 2000, the Division notified Herman V. Wallis that its records indicated that the above-identified wells were not in compliance with Rule 201.B. Herman V. Wallis responded to the Division's May letter indicating that the wells were shut in "waiting on market"; and

(d) the Division did not send Herman V. Wallis a follow-up letter ordering that he bring the above-identified wells into compliance with Rule 201.B.

(29) Herman V. Wallis' above-identified wells are not in compliance with Division Rule 201.B.

(30) The Division recommended that Herman V. Wallis be assessed a civil penalty in the amount of four thousand dollars (\$4,000) for knowingly and willfully failing to comply with Rule 201.B.

(31) The evidence presented does not justify a civil penalty with respect to Herman V. Wallis.

(32) Herman V. Wallis should be ordered to bring these wells into compliance with Division Rule 201.B.

(33) With respect to Julian Ard, the Division presented testimony that demonstrates:

(a) Julian Ard is the operator of the Acme Well No. 1 (API No. 30-005-61891) located in Unit I of Section 4, Township 8 South, Range 27 East, NMPM, Chaves County, New Mexico;

(b) no production reports have been filed with respect to the Acme Well No. 1 since before 1997; and

(c) on or about July 25, 2001, the Division notified Julian Ard of its continuing efforts to bring wells into compliance with Rule 201.B. This letter requested that Julian Ard present to the Division, a status report on its inactive well. The Division's letter, however, did not specifically identify the Acme Well No. 1 as being a well targeted for compliance.

(34) Counsel for Julian Ard appeared and requested a continuance of this case as to Julian Ard because the Acme Well No. 1 is located on a State of New Mexico lease that has expired, and Julian Ard has requested an extension of this lease and is awaiting a ruling from the Commissioner of Public Lands for the State of New Mexico.

(35) Julian Ard's Acme Well No. 1 is not in compliance with Division Rule 201.B.

(36) The Division did not recommend that a civil penalty be assessed against Julian Ard.

(37) The Division also recommended against the continuance proposed by Julian Ard.

(38) The requested continuance by Julian Ard is reasonable, and therefore, the issue of the Acme Well No. 1 should be heard in Case No. 12733-A on January 10, 2002, at which time Julian Ard should appear and present a plan for bringing the well into compliance.

(39) With respect to SWR Operating Company, the Division presented testimony that demonstrates:

(a) SWR Operating Company is the operator of fourteen (14) wells in Eddy County, New Mexico, identified as follows:

Donnelly Pan American Well No. 1Y (API No. 30-015-05739) Unit G, Section 5, T-19S, R-31E

Featherstone Well No. 1 (API No. 30-015-05737) Unit H, Section 5, T-19S, R-31E

Featherstone Well No. 1 (API No. 30-015-05744) Unit K, Section 5, T-19S, R-31E

Featherstone Well No. 2 (API No. 30-015-05740) Unit A, Section 5, T-19S, R-31E

Featherstone Well No. 4 (API No. 30-015-05747) Unit J, Section 5, T-19S, R-31E

Featherstone Federal Well No. 1 (API No. 30-015-05732) Unit J, Section 4, T-19S, R-31E

Hodges Federal Well No. 1 (API No. 30-015-05752) Unit P, Section 6, T-19S, R-31E

Keohane "C" Federal Well No. 1 (API No. 30-015-05595) Unit P, Section 21, T-18S, R-31E

Nickson "A" Well No. 1 (API No. 30-015-05731) Unit D, Section 4, T-19S, R-31E

Shugart "B" Well No. 1 (API No. 30-015-05670) Unit O, Section 33, T-18S, R-31E

Shugart "B" Well No. 3 (API No. 30-015-05672) Unit N, Section 33, T-18S, R-31E

Welch "A" Well No. 1 (API No. 30-015-05726) Unit B, Section 4, T-19S, R-31E

Welch "A" Well No. 3 (API No. 30-015-05728) Unit F, Section 4, T-19S, R-31E

Welch "A" Well No. 4 (API No. 30-015-05729) Unit C, Section 4, T-19S, R-31E

(b) no production reports have been filed with respect to any of the above-identified wells since before 1997;

(c) by letters dated September 8, 2000 and January 11, 2001, the Division notified SWR Operating Company that the above-identified wells were

not in compliance with Rule 201.B, and demanded that SWR Operating Company bring these wells into compliance; and

(d) SWR Operating Company has not responded to the Division's letters.

(40) SWR Operating Company's above-identified wells are not in compliance with Division Rule 201.B.

(41) The Division did not recommend that a civil penalty be assessed against SWR Operating Company.

(42) SWR Operating Company should be ordered to bring these wells into compliance with Rule 201.B.

(43) With respect to Thornton Hopper, the Division presented testimony that demonstrates:

(a) Thornton Hopper is the operator of five (5) wells in Eddy County, New Mexico, identified as follows:

Bradley Federal Well No. 1 (API No. 30-015-00391) Unit D, Section 13, T-24S, R-26E
Bradley Federal Well No. 2 (API No. 30-015-00387) Unit P, Section 11, T-24S, R-26E
Bradley Federal Well No. 5 (API No. 30-015-00382) Unit P, Section 11, T-24S, R-26E
Bradley Federal Well No. 6 (API No. 30-015-00386) Unit I, Section 11, T-24S, R-26E
Bradley Federal Well No. 8 (API No. 30-015-00383) Unit K, Section 11, T-24S, R-26E

(b) the Bradley Federal Wells No. 1, 2, 5 and 8 have not produced any hydrocarbons since before 1997;

(c) the Bradley Federal Well No. 6 is a salt water disposal well. No injection reports have been filed with respect to this well since before 1997. Accordingly, the authority to inject into such well may have terminated pursuant to Division Rule 705.C(1); and

(d) by letters dated May 11, 2000 and December 26, 2000, the Division has notified Thornton Hopper that the above-identified wells were not in compliance with Rule 201.B, and demanded that Thornton Hopper bring these wells into compliance.

(44) Thornton Hopper's above-identified wells are not in compliance with Division Rule 201.B.

(45) Thornton Hopper knowingly and willfully failed to comply with OCD Rule 201.B. Pursuant to NMSA 1978 70-2-31.A, a civil penalty in the amount of five thousand dollars (\$5,000) (\$1,000 per well per year of violation) should be assessed against Thornton Hopper for this knowing and willful violation.

(46) Thornton Hopper should be ordered to bring these wells into compliance with Rule 201.B.

(47) With respect to Wiser, the Division presented testimony that demonstrates:

(a) Wiser is the operator of twenty-three (23) wells in Eddy County, New Mexico, identified as follows:

Lea "C" Well No. 3 (API No. 30-015-05131) Unit D, Section 11, T-17S, R-31E
Lea "C" Well No. 14 (API No. 30-015-20705) Unit I, Section 11, T-17S, R-31E
Skelly Unit Well No. 3 (API No. 30-015-05347) Unit D, Section 22, T-17S, R-31E
Skelly Unit Well No. 13 (API No. 30-015-05323) Unit K, Section 21, T-17S, R-31E
Skelly Unit Well No. 17 (API No. 30-015-05153) Unit B, Section 15, T-17S, R-31E
Skelly Unit Well No. 18 (API No. 30-015-05154) Unit D, Section 15, T-17S, R-31E
Skelly Unit Well No. 42 (API No. 30-015-05356) Unit B, Section 22, T-17S, R-31E
Skelly Unit Well No. 45 (API No. 30-015-05346) Unit G, Section 22, T-17S, R-31E
Skelly Unit Well No. 46 (API No. 30-015-05357) Unit H, Section 22, T-17S, R-31E
Skelly Unit Well No. 47 (API No. 30-015-05364) Unit E, Section 23, T-17S, R-31E
Skelly Unit Well No. 52 (API No. 30-015-05345) Unit J, Section 22, T-17S, R-31E
Skelly Unit Well No. 56 (API No. 30-015-05350) Unit N, Section 22, T-17S, R-31E
Skelly Unit Well No. 57 (API No. 30-015-05353) Unit O, Section 22, T-17S, R-31E
Skelly Unit Well No. 67 (API No. 30-015-05339) Unit J, Section 21, T-17S, R-31E
Skelly Unit Well No. 72 (API No. 30-015-05372) Unit K, Section 23, T-17S, R-31E
Skelly Unit Well No. 85 (API No. 30-015-05422) Unit B, Section 27, T-17S, R-31E
Skelly Unit Well No. 89 (API No. 30-015-05429) Unit B, Section 28, T-17S, R-31E
Skelly Unit Well No. 102 (API No. 30-015-05147) Unit B, Section 14, T-17S, R-31E
Skelly Unit Well No. 103 (API No. 30-015-05148) Unit C, Section 14, T-17S, R-31E
Skelly Unit Well No. 105 (API No. 30-015-05149) Unit F, Section 14, T-17S, R-31E
Skelly Unit Well No. 123 (API No. 30-015-22257) Unit M, Section 22, T-17S, R-31E
Skelly Unit Well No. 161 (API No. 30-015-28140) Unit K, Section 28, T-17S, R-31E
Skelly Unit Well No. 264 (API No. 30-015-28999) Unit C, Section 27, T-17S, R-31E

(b) the Lea "C" Wells No. 3 and 14 and the Skelly Unit Wells No. 13 and 123 have not produced any hydrocarbons since before 1997;

(c) no production reports have been filed regarding the Skelly Unit Well No. 161 since before 1997;

(d) the Skelly Unit No. 264 has not produced any hydrocarbons since October, 1999;

(e) each of the remaining wells identified above are injection wells in which there has been no injection for a period in excess of one year; and

(f) by letter dated January 22, 2001 the Division notified Wiser that the Lea "C" Wells No. 3 and 14 and the Skelly Unit Wells No. 3, 13, 17, 18, 42, 46, 52, 56, 57, 89, 102, 123, and 161 were not in compliance with Rule 201.B, and demanded that Wiser bring these wells into compliance.

(48) Wiser presented testimony to the effect that:

(a) Wiser's Lea "C" Wells No. 3 and 14 were formerly temporarily abandoned pursuant to Division Rule 203, but the temporary abandonment status of those wells has expired;

(b) all of the Wiser Skelly Unit Wells have either been plugged and abandoned, temporarily abandoned or returned to injection; and

(c) the required reports to the Division concerning the Skelly Unit wells have not been timely made such that the compliance status of these wells could not be correctly ascertained from the Division's records as of the date of the filing of the application in this case.

(49) Wiser's Lea "C" Wells No. 3 and 14 are not in compliance with Division Rule 201.B.

(50) Wiser did not present sufficient evidence to demonstrate that the required reports for the Skelly Unit wells have been filed with the Division, and that these wells are now in compliance with Rule 201.B.

(51) The portion of the application concerning Wiser's wells, as identified in Finding No. (47), should be continued and heard on January 10, 2002, as part of Case No.

12733-A, at which time Wiser should appear to present evidence to support its testimony that the Skelly Unit wells are in compliance with Rule 201.B, and that a plan to bring the Lea "C" Wells No. 3 and 14 into compliance has been submitted to the supervisor of the Division's Artesia District Office.

(52) Any decision to assess a civil penalty against Wiser should be deferred until after additional evidence is presented at the January 10, 2002 Examiner Hearing.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the request of the Division through its counsel, this Application insofar as it relates to Roy E. Kimsey, Jr. and Stevens Operating Corp. is hereby dismissed.

(2) Pursuant to the request of the Division through its counsel, this Application insofar as it relates to Aceco Petroleum Company, Amtex Energy, Inc., Bird Creek Resources, Inc., Burnett Oil Co., Dinero Operating Company, Lindenmuth & Associates, Inc., Mar Oil & Gas Corp., NGX Company, and Read & Stevens, Inc., is hereby severed from Case No. 12733. The severed case is hereby denominated Case No. 12733-A. The Division administrator is directed to open a case file for the severed Case No. 12733-A, and to place therein true copies of the Application and Notice filed in this Case No. 12733.

(3) Case No. 12733-A is continued, and set for hearing before the Division on January 10, 2002.

(4) The request of Julian Ard for a continuance is hereby granted. Additional evidence and testimony relating to Julian Ard's Acme Well No. 1 shall be heard by the Division in Case No. 12733-A on January 10, 2002.

(5) That portion of this case concerning The Wiser Oil Company's twenty-three (23) wells in Eddy County, New Mexico, as identified in Finding No. 47, is hereby continued to be heard on January 10, 2002 as part of Case No. 12733-A. The Wiser Oil Company shall appear at that hearing to present evidence to demonstrate that the Skelly Unit wells are in compliance with Rule 201.B, and that a plan to bring the Lea "C" Wells No. 3 and 14 into compliance has been submitted to the supervisor of the Division's Artesia District Office.

(6) Any decision to assess a civil penalty against The Wiser Oil Company shall be deferred until after additional evidence is presented at the January 10, 2002 Examiner Hearing.

(7) This order is entered in Case No. 12733 only.

(8) Pursuant to the Application of the Division, Carl Schellinger, General Minerals Corporation, Guadalupe Operating Co., LLC, Herman V. Wallis, SWR Operating Co., and Thornton Hopper are hereby ordered, no later than thirty (30) days from the date of issuance of this Order, to bring each of their wells herein identified into compliance with Rule 201.B by accomplishing one of the following with respect to each well:

- (a) causing said well to be plugged and abandoned in accordance with Rule 202, and in accordance with a Division-approved plugging program;
- (b) restoring the well to production if the well is an oil or gas well;
- (c) restoring the well to injection if the well is an injection well; or
- (d) causing the well to be temporarily abandoned with Division approval in accordance with Rule 203.

(9) As to any wells that the operators fail to bring into compliance within the time period prescribed by this order, the supervisor of the Artesia District Office and Division counsel may commence proceedings to order that said wells be permanently plugged and abandoned by the operators or by the Division, and to forfeit the financial assurance, if any, provided by such operators pursuant to NMSA 1978 Section 70-2-14, as amended, and Division Rule 101, or take other action as appropriate.

(10) ExxonMobil Corporation is hereby ordered to correct and complete their production reports to the Division to reflect all production from their wells named in Finding (14).

(11) Administrative penalties are hereby assessed against each of the following operators for knowingly and willfully failing to bring their wells into compliance after receiving notice from the Division to do so. The amounts assessed are as follows:

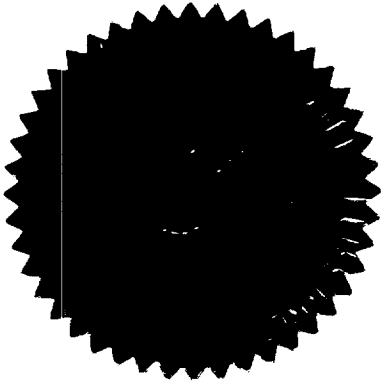
Carl Schellinger	\$4,000
Thornton Hopper	\$5,000
General Minerals Corp.	\$1,000

(12) The civil penalty herein assessed shall be paid within thirty (30) days of receipt of this Order, by certified or cashier's check made payable to the "New Mexico

Oil Conservation Division,” and mailed or hand-delivered to the New Mexico Oil Conservation Division, Attention: Lori Wrotenbery, Director, 1220 South St. Francis Drive, Santa Fe, New Mexico 87504, unless within such time application is filed by the operator for *de novo* review by the New Mexico Oil Conservation Commission of the penalty assessed against it.

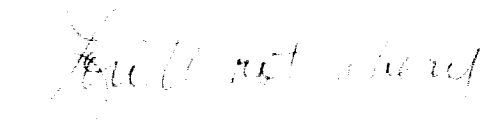
(13) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director