

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

NMOCD – ACOI- 217

IN THE MATTER OF NACOGDOCHES OIL AND GAS, INC.[256689],

Respondent.

INACTIVE WELL
AGREED COMPLIANCE ORDER:
PHASE I

Pursuant to the New Mexico Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38, as amended (“Act”) and OCD Rule 19.15.5.10(E) NMAC, the Director of the Oil Conservation Division (“OCD”) and **NACOGDOCHES OIL AND GAS, INC.** (“Operator” or “NOG”) enter into this Inactive Well Agreed Compliance Order (“Order” or “ACOI”) under which, generally stated:

- i. OCD agrees that for the duration of **Phase I** of this Order (and extending until September 1, 2010, the day following the last deadline set by this Order, as further detailed in Ordering Paragraph No.17), so long as NOG remains in compliance with the terms as specifically outlined below, the wells identified in **Exhibits A, B, C & D**, (attached hereto and incorporated by reference) will be excluded from the OCD’s “Inactive Well List” and will not be considered by the OCD to be “Inactive” for purposes of Rule 19.15.5.9 NMAC; and
- ii. Operator and OCD agree that the purpose of Phase I of this Order is to allow Operator to proceed with its application for a disposal well toward administrative approval as expeditiously as possible, without being inhibited by Rule 19.15.5.9 NMAC, and Operator agrees (as specified in further detail below) that upon completion of **Phase I** of this Order, Operator will enter into further good faith negotiations with OCD for, *and* complete the execution of **Phase II** of, this Order to address NOG’s remaining compliance issues upon terms and scheduling to be agreed upon hereafter.
- iii. NOG agrees to pay penalties as set out below if it fails to abide by the specified terms of this Order.

FINDINGS

1. The OCD is the state division charged with administration and enforcement of the Act, and rules and orders adopted pursuant to the Act.
2. Operator is a corporation doing business in the state of New Mexico.

3. Operator is the operator of record under OGRID 256689 for the wells identified in **Exhibits A, B, C and D**, attached.
4. OCD Rule 19.15.25.8 NMAC states, in relevant part:
 - A. The operator of wells drilled for oil or gas or services wells including seismic, core, exploration or injection wells, whether cased or uncased, shall plug the wells as Subsection B of 19.15.25.8 NMAC requires.
 - B. The operator shall either properly plug and abandon a well or place the well in approved temporary abandonment in accordance with 19.15.25 NMAC within 90 days after:
 -
 -
 - (3) a period of one year in which a well has been continuously inactive.”
5. The wells identified in **Exhibits A, B, C and D**:
 - (a) have been continuously inactive for a period of one year plus 90 days;
 - (b) are not plugged or abandoned in accordance with OCD Rule 19.15.25.9 NMAC through 19.15.25.11 NMAC; and
 - (c) are not on approved temporary abandonment status in accordance with OCD Rule 19.15.25.12 NMAC through 19.15.25.14 NMAC.
6. Wells identified as No. 1, No. 2, No. 8, No. 9, No. 10, No. 11, No. 12 and No. 13 in the list on **Exhibit A** have been identified by Operator as wells that are in need of equipment and/or repairs in order to be brought back into beneficial use.
7. The well identified as No. 3 in the list on **Exhibit A** has been identified by Operator as a well that is expected to be ready to return to beneficial use within thirty (30) days.
8. The well identified as No. 4 in the list on **Exhibit A** has been identified by Operator as a well that has been plugged and abandoned but that is still pending release by the OCD district office personnel.
9. Wells identified as No. 5 and No. 6 in the list on **Exhibit A** have been identified by Operator as wells that are in need of a pipeline and construction of a gas facility in order to be brought back into beneficial use. Prior to connection to a pipeline, however, these two wells require record updating, reworking, repairs and the well designated as No. 6 requires conversion to gas well to a status of “producing but shut-in due to lack of pipeline connection” (*as confirmed by OCD District Office personnel*).
10. The well identified as No. 7 in the list on **Exhibit A** has been identified by Operator as a well that Operator is in the process of trying to locate but has been unable to date to do so.
11. Wells identified as Nos. 1 through 13 in the list on **Exhibit B** have been identified by Operator as injection wells that have failed mechanical integrity testing (MIT) and

are in need of casing repairs in order to pass an MIT and be brought back into beneficial use.

12. The well identified as No. 14 in the list on **Exhibit B** has been identified by Operator as an injection well that it is in the process of attempting to locate. Operator will need to confirm location of this well before it will be able to evaluate it to determine whether it will be able to bring it back into beneficial use.
13. The well identified as No. 15 in the list on **Exhibit B** has been identified by Operator as an injection well that Operator anticipates returning to injection within the next several weeks.
14. The well identified as No. 16 in the list on **Exhibit B** has been identified by Operator as an injection well that Operator plans to plug and abandon.
15. The well identified as No. 17 in the list on **Exhibit B** has been identified by Operator as an injection well that Operator plans to convert to a producing gas well and that Operator then plans to connect to a pipeline. Prior to connection to a pipeline, however, this well required record updating, reworking and/or repairs. Upon full and proper completion of the conversion, and until the pipeline is connected, the well status will be “producing but shut-in due to lack of pipeline connection” (*as confirmed by OCD District Office personnel*).
16. The two (2) inactive production wells identified on **Exhibit C** and the four (4) inactive injection wells identified on **Exhibit D** have been identified as wells that cannot be assessed, repaired and/or returned to beneficial use until the disposal well that Operator has requested is operational.
17. NMSA 1978, Section 70-2-31(A) authorizes the assessment of civil penalties of up to one thousand dollars per day per violation against any person who knowingly and willfully violates any provision of the Oil and Gas Act or any rule or order adopted pursuant to the Act.
18. NMSA 1978, Section 70-2-33(A) defines “person” in relevant part as
any individual, estate, trust, receiver, cooperative association, club, corporation,
company, firm, partnership, joint venture, syndicate or other entity...
19. NMAC 19.15.26.8.A provides that “[t]he division shall grant a permit for injection under 19.15.26.8 NMAC only to an operator who is in compliance with Subsection A of 19.15.5.9 NMAC.”
20. NMAC 19.15.5.9.A provides that operator is in compliance if the operator:
....
(4) has no more than the following number of wells out of compliance with 19.15.25.8 NMAC that are not subject to an agreed compliance order setting a schedule for bringing the wells into compliance with 19.15.25.8 NMAC and imposing sanctions if the schedule is not met
....
(b) five wells if the operator operates between 101 and 500 wells;

21. Operator currently operates a total of 182 wells in New Mexico. Of those 182 wells, 35 are inactive per 19.15.25.8 NMAC (and not subject to an agreed compliance order until entry into this agreed compliance order).

CONCLUSIONS

22. Operator is in need of, and has applied for, a disposal well to address an accumulation of excess water, and OCD's regulations allow for disposal well applications to be reviewed, and, where appropriate, approved administratively under circumstances described in Rule 19.15.26.8.E NMAC. Operator believes it will be able to demonstrate to the OCD that the circumstances pertinent to its disposal well application meet the requirements of Rule 19.15.26.8.E NMAC. If such a demonstration is made, OCD agrees that it will review Operator's disposal well application administratively as provided by Rule 19.15.26.8.E NMAC as expeditiously as possible to facilitate NOG's practical ability to achieve overall compliance under this and future agreed compliance orders. A determination of approval of NOG's application will be made by the Division Director upon recommendation by the OCD Engineering Bureau and division geologist pursuant to the requirements set forth in Rule 19.15.26.8 NMAC.
23. The OCD has jurisdiction over the parties and subject matter in this proceeding.
24. The 35 wells identified in **Exhibits A, B, C and D** are out of compliance with OCD Rule 19.15.25.8 NMAC.
25. As operator of the wells identified in **Exhibits A, B, C and D**, Operator is responsible for bringing those wells into compliance with OCD Rule 19.15.25.8 NMAC.
26. Operator is currently out of compliance with NMAC 19.15.5.9A.
27. Due to the accumulation of excess water in the reservoir in this area, Operator is in need of a disposal well. Operator feels that being able to dispose of excess water, likely will enable it to evaluate, rework and/or put back online certain of its wells, including those identified on **Exhibits C and D**, for which Operator is not currently able to do so due to the excess water.
28. The excess water issue does not, however, impact Operator's ability to assess and rework those wells identified on **Exhibits A and B**.
29. Operator has prepared an application for a disposal well and is prepared to proceed with that application, which seeks to convert the South Hospah Unit No. 009 [03-031-20013], an existing oil well located in McKinley County at Sec. 12, T17N, R9W to an Entrada disposal well.
30. Pursuant to NMAC 19.15.26.8.A, the Division is prohibited from granting the Operator's request for a permit for a disposal well because Operator is out of compliance with NMAC 19.15.5.9, unless and until Operator comes into compliance with NMAC 19.15.5.9. If an Operator is in compliance with NMAC 19.15.5.9, the Division may process a request for a disposal well permit for approval administratively under the circumstances described in NMAC 19.15.26.8.E.

ACOI

NACOGDOCHES OIL AND GAS, INC. [256689]

Page 4 of 10

31. Operator is a “person” as defined by NMSA 1978, Section 70-2-33(A) and may be subject to civil penalties for knowing and willful violations of the Oil and Gas Act or rules or orders adopted pursuant to the Act.

ORDER

1. Regarding the wells identified as Nos. 1, 2, 3, 8, 9, 10, 11, 12 and 13 in the list on Exhibit A and No. 15 on Exhibit B: By **August 1, 2010**, operator must return 5 of the wells to beneficial use, file a Form C-103 for each well describing the work performed to return the well to beneficial use, and, if the well was returned to beneficial use by production or injection, file a C-115 report showing that production or injection (as required by OCD Rule 19.15.7.24 NMAC);
2. Regarding the well identified as No. 4 in the list on Exhibit A: Operator agrees that by **August 1, 2010** Operator will ensure that this plugged well-site is released, and by the August 1, 2010 compliance date will have filed the required Form **C-103 requesting release of the site by the OCD and that said Form C-103 will reflect OCD approval of the release.** *(note: this will require that Operator promptly complete surface cleanup work on the site and submit the formal C-103 site inspection request to the OCD, providing adequate time for the OCD inspection to be completed prior to the deadline. Alternatively, if release has not been documented by the deadline, Operator may submit evidence to the OCD demonstrating that it has made good faith efforts to ensure that the well site has been released by the set deadline, and that but for the OCD’s inability to perform the necessary inspection to complete the release process, the site would have been released by the compliance deadline; failure of Operator to timely request inspection or to properly prepare the site for release are not sufficient reasons for not meeting the deadline);*
3. Regarding the wells identified as Nos. 5 and 6 in the list on Exhibit A: Operator agrees that by **August 1, 2010**, Operator will ensure that OCD well file records are fully updated and accurately reflect the current status, condition and historical work or repairs done with regard to each specified well. As to No. 6, specifically, Operator also agrees to complete conversion of the well from Oil to Natural Gas, to a status of “producing but shut-in” *(as confirmed by OCD District Office personnel)*, pursuant to all applicable OCD Rules, and to file all required documentation with the OCD relating to the conversion by **August 1, 2010**.
4. Regarding the well identified as No. 7 in the list on Exhibit A: Operator agrees to conduct a good faith search to locate this well site, and upon locating it, to promptly assess it to determine whether Operator plans to plug and abandon, seek approved temporary abandonment status or return the well to beneficial use. Operator agrees that by the close of Phase I (August 1, 2010) it will prepare a written report for the OCD regarding its findings and determinations as to this site location (and status if known) which Operator will ensure is received by the OCD by **August 8, 2010** *(along with the compliance report also due by that date as discussed in further detail in Ordering Paragraph No. 10, below)*. If Operator ultimately determines it is unable, in its good faith due diligence to locate this site, Operator shall provide the

OCD with a detailed sworn affidavit outlining the specific efforts put forth to locate the site and attaching any additional supporting documentation reflecting the efforts expended;

5. Regarding Operator's injection wells identified as Nos. 1 through 13 in the list on Exhibit B: Operator agrees to conduct the repairs necessary to obtain "passing" mechanical integrity test results (properly witnessed by OCD District Office personnel) and to demonstrate that "passing" mechanical integrity test results have been achieved pursuant to OCD Rule 19.15.26.11 for 3 of these specified wells by **August 1, 2010**. **Operator further agrees that by the August 10, 2010 compliance date, Operator will file the required Forms C-103 for each such well, specifying the completed work and documenting the testing performed and the results thereof;**
6. Regarding the injection well identified as No. 14 in the list on Exhibit B: Operator agrees to conduct a good faith search to locate this well site, and upon locating it, to promptly assess it to determine whether Operator plans to plug and abandon, seek approved temporary abandonment status or return the well to beneficial use. Operator agrees that by the close of Phase I (August 1, 2010) it will prepare a written report for the OCD regarding its findings and determinations as to this site location (and status if known) which Operator will ensure is received by the OCD by **August 8, 2010** (along with the compliance report also due by that date as discussed in further detail in Ordering Paragraph No. 10, below). If Operator ultimately determines it is unable, in its good faith due diligence to locate this site, Operator shall provide the OCD with a detailed sworn affidavit outlining the specific efforts put forth to locate the site and attaching any additional supporting documentation reflecting the efforts expended;
7. Regarding the well identified as No. 16 in the list on Exhibit B: Operator agrees that by the compliance deadline of **August 1, 2010**, it will have plugged and abandoned this well and that the site has been released, (or alternatively, that Operator can demonstrate that it has made good faith efforts to ensure that the well site has been released, and that but for the OCD's inability to perform the necessary inspection to complete the release process, the site would have been released by the compliance deadline). **Operator further agrees that by the August 1, 2010 compliance deadline it will have filed all appropriate Forms C-103 noticing the intent to plug this well, reporting that the plugging has been completed, reporting that the site is ready to be inspected and requesting that the OCD inspect the site and approve the release thereof.** Note that obtaining release of the site will require Operator to coordinate with the District Office to obtain an inspection prior to the compliance deadline so that a determination regarding release can be made prior to that deadline by District Office Personnel;
8. Regarding the well identified as No. 17 in the list on Exhibit B: Operator agrees to ensure that the OCD well file records for this well are updated to accurately reflect the current status and condition of this well by the compliance deadline of **August 1, 2010**. In addition, Operator agrees to convert this well from an injection well to a natural gas production well to a status of "producing but shut-in due to awaiting

pipeline connection” (to be confirmed by OCD District Office personnel), by the compliance deadline of **August 1, 2010** and in doing so, **agrees to file appropriate Form C-103 noticing the intent to perform this conversion, as well as subsequent report Form C-103 documenting the work performed on the well to effectuate the conversion by the August 1, 2010 deadline;**

9. Operator agrees that during Phase I of this agreement (ending on August 1, 2010), Operator will make good faith efforts to move its application for water disposal well forward expeditiously, including efforts to demonstrate eligibility for administrative approval under the terms of Rule 19.15.26.8.E NMAC. OCD agrees that if the application is properly submitted pursuant to Rule 19.15.26.9.E and meets the requirements providing for administrative review of such applications, the OCD shall promptly consider the application administratively. Operator further agrees that if and when such application is approved, it will make good faith efforts to move the project forward on a reasonable timetable and, weather permitting, will begin work on the project as promptly as possible after Operator is authorized to do so. Operator agrees to abide by all applicable laws and rules;
10. Operator agrees to submit a compliance report to the OCD documenting that each of the above-listed compliance deadlines, as outlined in Ordering Paragraph Nos. 1 through 8, has been met, and specifying the way in which Operator has met each, as well as outlining the current status of its compliance with Ordering Paragraph No. 9 and the status of the water disposal well project. Operator shall further attach the written report required by Ordering Paragraph No. 6, above with its compliance report submission to the OCD. Operator shall ensure that such compliance report and any attachments are received by the OCD Santa Fe Office by **August 8, 2010**; and
11. At the completion of Phase I, Operator agrees to meet with Santa Fe OCD representatives in Santa Fe once the August 1, 2010 compliance deadline has passed but no later than August 31, 2010 (unless a later, mutually agreeable date is selected and agreed to by both the Operator and the OCD) to:
 - a) discuss completion of Phase I of this agreement,
 - b) discuss the general status of Operator’s disposal well project (including whether the well has been approved, if and when the planned workover for the SHU #009 has been started and if so, if it has been completed, what if any filings have been submitted to the OCD documenting the work performed, what mechanical testing has been performed to date, and if it is in operation, when operation commenced and what impact on reduction of water in the area it has had to date), and
 - c) begin negotiations for Phase II of this agreement to address Operator’s remaining compliance issues.
12. If Operator fails to meet any of the specific obligations outlined in Ordering Paragraph Nos. 1 through 9, above, by the specified compliance deadline(s), Operator agrees to pay a penalty of \$1,000 times the number of wells for which

- Operator failed to meet its obligations under the Ordered schedule during Phase I, subject to the terms of this Order.
- *Ex. If operator was required to return 4 wells to beneficial use by the compliance deadline and only returned 2 wells to beneficial use, operator will be required to remit \$1,000 for each of the 2 wells it failed to return to beneficial use as agreed, for a total due of \$2,000.*
13. If Operator fails to meet its obligations as outlined in Ordering Paragraph No. 10, above, by the August 8, 2010 deadline for receipt of the compliance report by the OCD, Operator agrees to pay, without demand, a penalty of \$1,000 for each calendar day beyond the August 8, 2010 deadline that the compliance report is late.
- *Ex. If the OCD does not receive a complete compliance report as specified herein until August 15, 2010, seven days after the deadline, the operator will be required to remit \$7,000: \$1,000 for each calendar day that the report was late.*
14. If Operator fails to meet its obligations as outlined in Ordering Paragraph No. 11, above, Operator agrees to pay a penalty of \$1,000 for each calendar day beyond the August 31, 2010 deadline that the end-of-Phase-I conference is conducted.
- *Ex. If operator and the OCD do not mutually agree upon an alternative meeting date, and operator fails to meet with Santa Fe OCD representatives by August 31, 2010, instead waiting until September 21, 2010, operator will be responsible for paying a \$21,000 penalty: \$1,000 for each calendar day beyond the August 31, 2010 deadline that the meeting actually occurs.*
15. QUALIFICATION AND LIMITATION REGARDING PENALTIES: In the event the Operator encounters unanticipated circumstances that prevent it from meeting its obligations as specified above during Phase I of this Order (by the August 1, August 8 and/or August 31, 2010 compliance deadlines), or any amendments issued to this Order, Operator may apply for a waiver or reduction of the penalty by making the request in writing to the OCD's Enforcement and Compliance Manager. If the Enforcement and Compliance Manager concurs with the Operator's request, the request for waiver or reduction of penalties may be granted administratively. If the Enforcement and Compliance Manager does not concur with the Operator's request or fails to respond within 10 days, the Operator may file an application for hearing on the request. Any application for hearing on a request for waiver or reduction of penalty must be filed within 30 days of the date the compliance report is due. Once Operator pays the penalty or applies for a waiver or reduction of the penalty, the OCD may, in its discretion, issue an amendment to this Order extending its terms for an additional time period.
16. By signing this Order, Operator expressly:
- acknowledges the correctness of the Findings and Conclusions set forth in this Order;
 - agrees to abide by the terms, obligations and compliance deadlines set forth in Ordering Paragraph Nos. 1 through 11. Operator further agrees that should any

amendments to this Order be negotiated between the OCD and the Operator, Operator shall comply with the compliance deadlines set by those amendments;

- acknowledges that for purposes of establishing return to beneficial use via production pursuant to this Order, the use of temporary swabbing equipment located on a well site is not sufficient. Production in payable quantities (reported on monthly C115 reports) by natural flow or artificial lift with equipment permanently affixed to the well and intended to provide a constant flow of fluid over time is required.
- agrees to submit a compliance report as required in Ordering Paragraph No. 10;
- agrees to pay penalties as set out in Ordering Paragraph Nos. 12, 13 and 14 and as limited by Ordering Paragraph No. 15 if it fails to meet its obligations under this Order or any amendments to this Order;
- waives any right, pursuant to the Oil and Gas Act or otherwise, to an appeal from this Order, or to a hearing either prior to or subsequent to the entry of this Order other than a hearing on a request for waiver or reduction of penalties as set out in Ordering Paragraph No. 15;
- acknowledges that the New Mexico Oil and Gas Act, NMSA 1978 Section 70-2-31(A) of that Act authorizes the OCD to recover monetary penalties from operators who knowingly and willfully violate the Act or any rules or orders promulgated pursuant to the Act, by filing an action in district court, and further acknowledges that this Order constitutes an attempt to resolve a pending compliance action brought against Respondent by the OCD under the Oil and Gas Act and is the equivalent of the settlement of a district court action,
- agrees that the Order and any amendments to the Order may be enforced by OCD or Oil Conservation Commission Order, by suit or otherwise to the same extent and with the same effect as a final Order of the OCD or Oil Conservation Commission entered after notice and hearing in accordance with all terms and provisions of the Oil and Gas Act, and

- acknowledges that the purpose of Phase I of this Order is to provide Operator with an opportunity to proceed with its application for a disposal well without being inhibited by Rule 19.15.5.9 NMAC, so that it is able to address excess water issues and ultimately be in a position to enter into the second phase of this Order for purposes of continuing to address Operator's issues of noncompliance.
17. The wells identified specifically in **Exhibits A, B, C & D** that are covered by this Order will be kept off of the inactive well list maintained by the OCD pursuant to 19.15.5.9 NMAC (so long as NOG remains in compliance with the terms as specifically outlined herein) until September 1, 2010 (the day following the deadline for Operator to meet with Santa Fe OCD representatives to discuss the conclusion of Phase I of this Order and to negotiate the terms of Phase II of this Order).
 18. This Order applies only to the enforcement of OCD Rule 19.15.25.8 NMAC against those wells identified in **Exhibits A, B, C & D**. Other wells operated by Operator out of compliance with OCD Rule 19.15.25.8 NMAC may be subject to immediate enforcement action under the Oil and Gas Act and OCD Rules. Wells identified in **Exhibits A, B, C & D** that are out of compliance with the Oil and Gas Act or OCD Rules other than Rule 19.15.25.8 NMAC may be subject to immediate enforcement action under the Oil and Gas Act and OCD Rules.
 19. The OCD reserves the right to file an application for hearing to obtain authority to plug any well identified in **Exhibits A, B, C & D** and forfeit the applicable financial assurance if the well poses an immediate environmental threat.

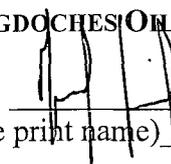
Done at Santa Fe, New Mexico this 22nd day of March, 2010

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

ACCEPTANCE

NACOGDOCHES OIL AND GAS, INC. hereby accepts the foregoing Order, and agrees to all of the terms and provisions set forth in that Order.

NACOGDOCHES OIL AND GAS, INC.

By: 
 (Please print name) MIKE FINLEY
 Title: PRESIDENT

ACOI 217

Nacogdoches Oil & Gas

EXHIBIT A

NOG INACTIVE WELL LIST A

PRODUCTION Wells to be Addressed During Phase I Agreement

Data from OCD Online, obtained: Wednesday, December 02 2009 and confirmed February 25, 2010

	API	Well	Lease Type	Well Type	Last Production Reported
1	30-031-05145	SOUTH HOSPAH UNIT #004	F	O	11/2004
2	30-031-05146	SOUTH HOSPAH UNIT #005	F	O	3/2004
3	30-031-20361	SOUTH HOSPAH UNIT #047	F	O	11/2004
4	30-031-05148	SANTA FE #002	P	O	None reported- (spud 1965)
5	30-031-20183	LONE PINE DAKOTA D UNIT #012	P	G	12/1992
6	30-031-20201	LONE PINE DAKOTA D UNIT #023	P	O	06/2005
7	30-031-20182	SANTA FE PACIFIC RAILROAD #009	P	G	06/2005
8	30-031-05179	HOSPAH SAND UNIT #038	P	O	7/2004
9	30-031-05171	HOSPAH SAND UNIT #039	P	O	7/2004
10	30-031-05194	HOSPAH SAND UNIT #051	P	O	11/2004
11	30-031-20020	SOUTH HOSPAH UNIT #012	F	O	3/2004
12	30-031-20713	SANTA FE RAIL ROAD #044	P	O	7/2004
13	30-031-05594	HOSPAH SAND UNIT #055	P	O	None reported - (spud 1965)

ACOI 217
Nacogdoches Oil & Gas
EXHIBIT B

NOG INACTIVE WELL LIST B

INJECTION Wells to be Addressed During Phase I
Agreement

Data from OCD Online, obtained: Wednesday, December 02 2009 and confirmed February 26, 2010

	API	Well	Lease Type	Well Type	Last Production Reported
1	30-031-20248	HOSPAH SAND UNIT #084	P	I	12/2005
2	30-031-20613	HOSPAH SAND UNIT #092	P	I	12/2005
3	30-031-20611	HOSPAH SAND UNIT #093	P	I	12/2005
4	30-031-20147	SANTA FE RAILROAD A #083	P	I	03/2005
5	30-031-20372	SANTA FE RAILROAD A #084	P	I	03/2005
6	30-031-20413	SANTA FE RAILROAD A #087	P	I	03/2005
7	30-031-20855	SANTA FE RAILROAD A #097	P	I	03/2005
8	30-031-20124	SOUTH HOSPAH UNIT #033	F	I	10/2005
9	30-031-20118	SOUTH HOSPAH UNIT #036	F	I	10/2005
10	30-031-20152	SOUTH HOSPAH UNIT #039	F	I	10/2005
11	30-031-20243	SOUTH HOSPAH UNIT #052	F	I	05/2005
12	30-031-20411	SOUTH HOSPAH UNIT #060	F	I	10/2005
13	30-031-20544	SOUTH HOSPAH UNIT #063	F	I	10/2005
14	30-031-20749	SANTA FE RAILROAD B #39	P	I	None reported- (spud 1982)
15	30-031-20150	SANTA FE RAILROAD #023	P	I	05/2005
16	30-031-20853	SANTA FE RAILROAD #051	P	I	05/2005
17	30-031-20174	LONE PINE DAKOTA D UNIT #014	P	I	12/1992

ACOI 217

Nacogdoches Oil & Gas

EXHIBIT C

NOG INACTIVE WELL LIST C

PRODUCTION Wells that cannot be assessed and/or
repaired until Disposal Well is Operational

Data from OCD Online, obtained: Wednesday, December 02 2009 and confirmed February 26, 2010

	API	Well	Lease Type	Well Type	Last Production Reported
1	30-031-20303	SANTA FE RR B #032	P	O	04/1980
2	30-031-05498	SOUTH HOSPAH UNIT #022	F	O	03/2004

ACO1217
Nacogdoches Oil & Gas
EXHIBIT D

NOG INACTIVE WELL LIST D

INJECTION Wells that cannot be assessed and/or repaired until
Disposal Well is Operational

Data from OCD Online, obtained: Wednesday, December 02 2009 and confirmed February 26,
2010

	API	Well	Lease Type	Well Type	Last Production Reported
1	30-031-20115	HOSPAH SAND UNIT #058	P	I	12/2005
2	30-031-05577	HOSPAH SAND UNIT #066	P	I	05/2002
3	30-031-20391	SANTA FE RR B #035	P	I	07/2004
4	30-031-05146	SOUTH HOSPAH UNIT #005	F	I	05/2005