

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

APPLICATION OF THE NEW MEXICO OIL
CONSERVATION DIVISION FOR A
COMPLIANCE ORDER AGAINST MARKS
AND GARNER PRODUCTION LTD. COMPANY,
LEA COUNTY, NEW MEXICO.

CASE NO. 14041 (De Novo)
Order No. R-12963-B

ORDER OF THE COMMISSION

This matter, having come before the Chair of the Oil Conservation Commission upon a Motion for Extension of Deadlines filed by Marks and Garner Production Ltd. Company (Marks and Garner) through its attorney, Ernest L. Padilla on September 25, 2008, the Chair,

FINDS THAT:

(1) Case No. 14041 was heard de novo before the Oil Conservation Commission on August 14, 2008.

(2) Order No. R-12963-A was entered by the Commission in de novo Case No. 14041 on September 11, 2008, establishing deadlines for Marks and Garner on certain wells as follows: (i) to properly plug and abandon or otherwise bring the wells into compliance with Oil Conservation Division rules on or before December 10, 2008; (ii) to file true and accurate sundry notices on form C-103 for remedial work performed or to provide to the Oil Conservation Division copies of the sundry notices filed with the United States Department of the Interior, Bureau of Land Management, by October 10, 2008; (iii) to file amended form C-115s with the Oil Conservation Division on or by October 10, 2008; (iv) to post additional single well plugging bonds on or before September 25, 2008; and (v) to pay a civil penalty of \$23,000 on or before 5:00 p.m. on September 25, 2008.

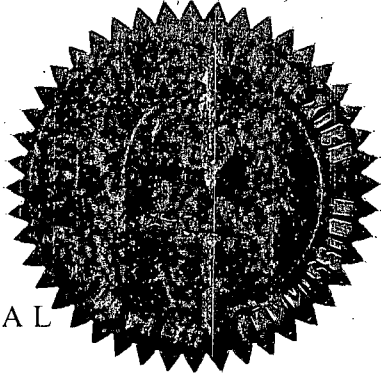
(3) On September 25, 2008, Marks and Garner filed a Motion for Extension of Deadlines concerning the compliance with the bonding requirements and the payment of the civil penalty. The reasons cited for the Motion were that Marks and Garner has plugged some and is planning to continuously plug all of the wells listed in De Novo Order No. R-12963-A, and the "plugging costs are significantly impacting Marks and Garner's financial reserves." Marks and Garner did not provide evidence showing that the wells had been plugged and released.

(4) The Chair of the Oil Conservation Commission finds no basis for granting the Motion for Extension of Deadlines, and it should be denied.

IT IS THEREFORE ORDERED THAT:

(1) The Motion for Extension of Deadlines filed by Marks and Garner Production Ltd. Company in de novo order No. R-12963-A is hereby denied.

DONE at Santa Fe, New Mexico, on the 30th day of September, 2008.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

A handwritten signature in cursive script, appearing to read "Mark E. Fesmire".

MARK E. FESMIRE, P.E., Chair