

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

2006 MAY 8 AM 11 39

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR AN ORDER DETERMINING THAT ORBIT ENERGY INC. KNOWINGLY AND WILLFULLY VIOLATED 19.15.4.201 NMAC; REQUIRING ORBIT ENERGY INC. TO BRING FIVE WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC; ASSESSING APPROPRIATE CIVIL PENALTIES; AND IN THE EVENT OF NON-COMPLIANCE, AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCES; ROOSEVELT COUNTY, NEW MEXICO.

CASE NO. 13373

MOTION TO RE-OPEN CASE NO. 13373 AND ENTER AN ORDER ASSESSING CIVIL PENALTIES AND FINDING ORBIT PETROLEUM, INC. IN VIOLATION OF AN ORDER REQUIRING CORRECTIVE ACTION

1. On December 16, 2004, the Director of the Oil Conservation Division issued Order No. R-12250 in the above-captioned case ordering Orbit Energy Inc. ("Operator") to bring the following wells into compliance with 19.15.4.201 NMAC on or before January 30, 2005:

Farrell Federal #010	API 30-041-10446, F-28-7S-33E
James McFarland #004	API 30-041-10567, L-20-7S-33E
Humble Federal #005	API 30-041-20116, B-26-7S-32E
State BA #001	API 30-041-10003, A-34-7S-35E
State BA #002	API 30-041-20048, H-34-7S-35E

2. Order No. R-12250 further provided that jurisdiction of the case was retrained for the entry of such further orders as the Division may deem necessary.

3. Operator did not seek a de novo hearing in case 13373 pursuant to 19.15.14.1221.A NMAC. Order No. R-12250 is now final.

4. After the entry of Order No. R-12250, Orbit Energy Inc. changed its name to Orbit Petroleum, Inc.

5. OCD records indicate that the five wells identified in Order No. R-12250 have not been brought into compliance with 19.15.4.201 NMAC as required by that order.

6. The Division has taken action to plug the State BA #001 and State BA #002.

7. OCD Rule 40.A [19.15.1.40.A NMAC] provides, in relevant part, that a well operator is in compliance with its provisions if the operator “is not subject to a division or commission order, issued after notice and hearing, finding the operator to be in violation of an order requiring corrective action.”

8. NMSA 1978, section 70-2-31(A) provides, in relevant part, that “[a]ny person who knowingly and willfully violates any provision of the Oil and Gas Act or any provision of any rule or order issued pursuant to that act shall be subject to a civil penalty of not more than one thousand dollars (\$1,000) for each violation. For purposes of this subsection, in the case of a continuing violation, each day of violation shall constitute a separate violation.”

WHEREFORE, the Enforcement and Compliance Manager hereby moves the Director of the Oil Conservation Division to re-open Case 13373, and enter an order after notice and hearing:

- A. Determining that Orbit Petroleum, Inc. is in violation of Order R-12250’s requirements for corrective action;
- B. Determining that Orbit Petroleum, Inc. knowingly and willfully failed to comply with Order R-12250 and assessing appropriate civil penalties; and

C. For such other and further relief as the Division deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,
this 5th day of May, 2006 by



Gail MacQuesten
Assistant General Counsel
Energy, Minerals and Natural
Resources Department of the State of
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(505)-476-3451

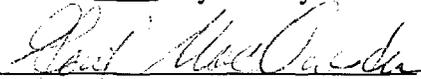
Attorney for The New Mexico Oil
Conservation Division

Certificate of Service

I hereby certify that I served this motion by certified mail, return receipt requested, to:

Jim Frazier, President
Orbit Petroleum, Inc.
720 W. Wilshire, Suite 115
Oklahoma City OK 73116

on this 5th day of May 2006.



Gail MacQuesten

Case No. 13373. Application of the New Mexico Oil Conservation Division for an order requiring Orbit Energy Inc. to return 5 wells to compliance with 19.15.4.201 NMAC, Roosevelt County, New Mexico. The Applicant moves the Oil Conservation Division Director to reopen Case No. 13373 to issue an order assessing civil penalties and finding Orbit Petroleum, Inc. (formerly Orbit Energy Inc.) to be in violation of Order R-12250, issued in Case No. 13373, requiring corrective action as to the following wells: Farrell Federal #010, API 30-041-10446, F-28-7S-33E; James McFarland #004, API 30-041-10567, L-20-7S-33E; Humble Federal #005, API 30-041-20116, B-26-7S-32E; State BA #001, API 30-041-10003, A-34-7S-35E; State BA #002, API 30-041-20048, H-34-7S-35E. The wells are located approximately 30 miles southwest of Portales in Roosevelt County, New Mexico.