



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

June 1, 2007

Buckeye Disposal LLC
P.O. Box 513
Hobbs, NM 88241

Buckeye Disposal LLC
P.O. Box 2724
Lubbock, TX 79408
[address of record]

Re: Buckeye Disposal LLC, OGRID 222759
State AF #1, API 30-025-20546
Agreed Compliance Order 183

Dear Operator,

Thank you for returning the signed agreed compliance order addressing Buckeye Disposal LLC's failure to properly plug and abandon the State AF #1 well, together with a check in the amount of \$1,000 in payment of the penalty assessed in the agreement. A copy of the fully executed order is enclosed.

The order requires Buckeye Disposal LLC (Buckeye) to file a sundry notice within ten days of the date the order is executed, indicating its intent to produce, plug or temporarily abandon the State AF #1 well. The order also requires Buckeye to return the State AF #1 well to compliance with Rule 201 [19.15.4.201 NMAC] within six months of the date the order is executed. If Buckeye fails to meet that deadline it will be subject to an additional penalty of \$1,000 for each full week after the deadline that the well remains out of compliance with Rule 201.

The order was fully executed on June 1, 2007. Buckeye's deadline for returning the State AF #1 well to compliance is December 1, 2007.

The Oil Conservation Division appreciates Buckeye's courtesy and professionalism in resolving this matter.

Sincerely,

Gail MacQuesten, OCD Attorney

Cc: Chris Williams, Supervisor, District I
Larry "Buddy" Hill, Inspector, District I
Daniel Sanchez, Compliance and Enforcement Manager

***Case 14108
Buckeye Disposal, LLC
OCD Exhibit No. E***