Examiner Hearing – November 4, 2004 Docket No. 30-04 Page 5 of 5

CASE 13371: This case will be continued to the November 18, 2004, Examiner Hearing

Application of the New Mexico Oil Conservation Division for a Compliance Order. The Applicant seeks an order requiring Lindenmuth & Associates, Inc. to bring one well into compliance with 19.15.4.201 NMAC; imposing a civil penalty; authorizing the Division to plug said well in the event of noncompliance and forfeit the applicable financial assurance; and for such other relief as the Director deems appropriate. The affected well is the Post #001 well, API # 30-025-27984, located at Unit Letter N, Section 1, Township 14 South, Range 37 East; approximately 15 miles northeast of Lovington in Lea County New Mexico.

CASE 13354: Continued from October 7, 2004, Examiner Hearing

Application of the New Mexico Oil Conservation Division for a Compliance Order, Lea County, New Mexico. The Applicant seeks an order requiring Tahoe Energy Inc. and Kenneth A. Freeman dba Tahoe Energy Inc. to bring one well into compliance with 19.15.4.201 NMAC by a date certain and, in the event of non-compliance, assessing a civil penalty, authorizing the Division to plug said well, forfeiting the applicable plugging security, and for such other relief as the Director deems appropriate. The affected well is the Brownlee #1, API # 30-025-04461, Unit Letter P, Section 25, Township 21 South, Range 36 East, in Lea County, New Mexico. The well is located approximately 3 miles west of Eunice, New Mexico.

CASE 13361: Continued from October 21, 2004, Examiner Hearing

Application of the New Mexico Oil Conservation Division for a Compliance Order. The Applicant seeks an order requiring Millard Deck Estate to bring two wells into compliance with 19.15.4.201 NMAC, imposing a civil penalty and authorizing the Division to plug said wells in the event of noncompliance, and for such other relief as the Director deems appropriate. The affected wells are: Alexander #001, API #30-025-06429, located at Unit Letter E, Section 7, Township 21 South, Range 37 East, approximately three miles east of Oil Center, in Lea County, New Mexico; and Lea,407 State #005, API #30-025-03535, located at Unit Letter D, Section 33, Township 21 South, Range 35 East, approximately 12 miles west of Eunice in Lea County, New Mexico.

CASE 13362: Continued from October 21, 2004, Examiner Hearing

Application of the New Mexico Oil Conservation Division for a Compliance Order. The Applicant seeks an order requiring operator KC Resources Inc. to remediate contamination at a tank battery site in compliance with 19.15.3.116.D NMAC and bring three inactive wells into compliance with 19.15.4.201 NMAC; authorizing the Division to plug said wells and ordering a forfeiture of the applicable plugging bond if the operator fails to comply; and assessing civil penalties. The tank battery is located at the site of the Lea YH State #003, API #30-025-26562, J-25-18S-34E, NMPM. The inactive wells are the Lea YH State #001, API #30-025-26104, O-25-18S-34E, NMPM; the Lea YH State #002, API #30-025-26299, P-25-18S-34E, NMPM; and the Lea YH State #004, API #30-025-26687, I-25-18S-34E, NMPM. The tank battery and wells are located approximately 22 miles west of Hobbs in Lea County, New Mexico.