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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE COMPLIANCE AND ENFORCEMENT MANAGER, FOR AN ORDER IMPOSING CIVIL PENALTIES AGAINST HEC PETROLEUM, INC. FOR THE KNOWING AND WILLFUL VIOLATION OF 19.15.2.50.C(2)(b)(i) NMAC, AND IN THE ALTERNATIVE, SEEKING AN ORDER REQUIRING HEC PETROLEUM, INC. OR RLI INSURANCE COMPANY, OR BOTH, TO PLUG AND ABANDON THE YAGER #9, API 30-045-32344, LOCATED IN SAN JUAN COUNTY, NEW MEXICO, AND IN THE EVENT OF NON-COMPLIANCE, AUTHORIZING THE OIL CONSERVATION DIVISION TO PLUG THE WELL AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE.

CASE NO. 13626

MOTION FOR CONTINUANCE

The applicant New Mexico Oil Conservation Division requests that this case, currently scheduled for the January 19, 2006 docket, be continued until the February 2, 2006 docket to allow the parties to pursue settlement negotiations.

RESPECTFULLY SUBMITTED this 150 day of January 2006 by

Gail MacOuesten

Assistant General Counsel

Mast

Energy, Minerals and Natural Resources Department of the State of New Mexico

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Certificate of Service

I certify that a copy of this motion was served by electronic mail to Paul Owen, attorney for HEC Petroleum, Inc. at POwen@chevron.com and Greg E. Chilson of RLI Insurance Company at greg_chilson@rlicorp.com this 12th day of January 2006.

Gail MacQuesten