

CASE NO. 13720: Continued from June 8, 2006, Examiner Hearing

Application of the New Mexico Oil Conservation Division for a Compliance Order Against CBS Operating Corp. The

Applicant seeks an order determining that operator knowingly and willfully violated 19.15.9.703 NMAC, imposing civil penalties, requiring operator to bring the wells into compliance with 19.15.9.703 NMAC or plug the wells by a date certain, and in the event of non-compliance, authorizing the Division to forfeit the applicable financial assurance and plug and abandon the wells. The affected wells are: H G Watson, #007 30-015-03293, J-4-18S-29E; Burnham Grayburg San Andres Unit #001A, 30-015-04044, L-2-17S-30E; Burnham Grayburg San Andres Unit #001C, 30-015-04049, P-2-17S-30E; Burnham Grayburg San Andres Unit #003A, 30-015-04058, H-2-17S-30E; Federal KK #003, 30-015-04066, J-3-17S-30E; Federal Q #001, 30-015-04068, 4-3-17S-30E; Federal Q #004, 30-015-04071, F-3-17S-30E; Federal L #002, 30-015-04406, 2-31-17S-30E; North Square Lake Unit #127, 30-015-04949, H-31-16S-31E; Featherstone #005, 30-015-05034, C-2-17S-31E; Federal KK #001, 30-015-20315, P-3-17S-30E; Loco Hills A Federal #002, 30-015-20536, N-10-17S-30E; Loco Hills B Federal #001, 30-015-20537, P-9-17S-30E; Loco Hills A Federal #005, 30-015-20610, L-10-17S-30E; Loco Hills B Federal #005, 30-015-20672, J-9-17S-30E; North Square Lake Unit #069, 30-015-03925; North Square Lake Unit #145, 30-015-04948, J-31-16S-31E; Artesia State Unit #002D, 30-015-21449, A-23-18S-27E; Artesia State Unit #002, 30-015-21486, L-13-18S-27E; Artesia State Unit #001E, 30-015-21487, B-23-18S-27E. The affected wells are located approximately 10-30 miles east and southeast of Artesia, Eddy County, New Mexico.

CASE NO. 13721: Continued from June 8, 2006, Examiner Hearing

Application of the New Mexico Oil Conservation Division for a Compliance Order Against CBS Operating Corp. The Applicant seeks an order requiring CBS Operating Corp. to bring inactive wells into compliance with 19.15.4.201 NMAC; authorizing the Division to plug said wells in the event of noncompliance and forfeit the applicable financial assurance; imposing civil penalties, and for such other relief as the Director deems appropriate. The affected wells are the following:

Artesia State Unit #001, 30-015-00883, D-13-18S-27E
Constate #001, 30-015-05017, C-36-16S-31E
Cowtown Unit #201, 30-015-01849, M-13-18S-28E
Cowtown Unit #401, 30-015-02037, D-24-18S-28E
Cowtown Unit #402, 30-015-02032, E-24-18S-28E
Featherstone #002, 30-015-05037, F-2-17S-31E
Featherstone #004, 30-015-05039, 4-2-17S-31E
Federal JJ #003, 30-015-20737, N-3-17S-30E
Federal L #004, 30-015-04411, F-31-17S-30E
Federal R #007, 30-015-20695, B-10-17S-30E
HG Watson #006, 30-015-20312, K-4-18S-29E
HG Watson #008, 30-015-03294, O-4-18S-29E
J L Langford #006, 30-015-03362, C-9-18S-29E
Loco Hills A Federal #006, 30-015-10611, D-15-17S-30E
Loco Hills A Federal #007, 30-015-20615, F-15-17S-30E
Loco Hills B Federal #009, 30-015-25110, I-9-17S-30E
North Square Lake Unit, #20, 30-015-04936, B-30-16S-31E
North Square Lake Unit #038, 30-015-04937, G-30-16S-31E
North Square Lake Unit #046, 30-015-04899, G-28-16S-31E
North Square Lake Unit #070, 30-015-20316, P-25-16S-30E
North Square Lake Unit #071, 30-015-03924, P-25-16S-30E
North Square Lake Unit #079, 30-015-04928, P-30-16S-31E
North Square Lake Unit #081, 30-015-04917, N-29-16S-31E
North Square Lake Unit #083, 30-015-04915, P-29-16S-31E
North Square Lake Unit #096, 30-015-04031, A-36-16S-30E
North Square Lake Unit #111, 30-015-04979, B-33-16S-31E
North Square Lake Unit #113, 30-015-04990, D-34-16S-31E
North Square Lake Unit #115, 30-015-10273, B-34-16S-31E
North Square Lake Unit #132, 30-015-04978, E-33-16S-31E
North Square Lake Unit #167, 30-015-04983, N-33-16S-31E
Porcupine AAQ Federal #001, 30-015-25050, N-26-16S-31E
Travis D Federal #012, 30-015-03513, J-17-18S-29E
Travis D Federal #021, 30-015-24709, L-17-18S-29E
Wilson #002, 30-015-05041, J-2-17S-31E

The wells are located approximately 10-30 miles east or southeast of Artesia, in Eddy County, New Mexico.