

DOCKET: EXAMINER HEARING - THURSDAY – OCTOBER 18, 2007

8:15 A.M. - 1220 South St. Francis

Santa Fe, New Mexico

Docket Nos. 34-07 and 35-07 are tentatively set for November 1 and November 15, 2007. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following Cases will be heard by an Examiner.

<i>Locator Key for Cases</i>		
Case 13891	-	No. 17
Case 13897	-	No. 18
Case 13916	-	No. 9
Case 13940	-	No. 21
Case 13942	-	No. 7
Case 13952	-	No. 20
Case 13957	-	No. 22
Case 13979	-	No. 1
Case 13981	-	No. 13
Case 13985	-	No. 8
Case 13990	-	No. 6
Case 13991	-	No. 19
Case 13999	-	No. 11
Case 14005	-	No. 2
Case 14006	-	No. 3
Case 14007	-	No. 4
Case 14008	-	No. 5
Case 14009	-	No. 10

1. **CASE 13979:** *(Continued from the September 6, 2007 Examiner Hearing)*

(This case will be continued to the January 10, 2008 Examiner Hearing.)

Application of the New Mexico Oil Conservation Division for a Compliance Order against McDonnold Operating Inc. Applicant seeks an Order requiring McDonnold Operating Inc. to remit payment of the penalty assessment provided for by ACOI 80, and seeks further Order requiring McDonnold Operating Inc. to bring eleven (11) 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 wells involved in this matter include the following:

30-025-04408	BAY FEDERAL #003	D-35-20S-36E	Lea County
30-041-20349	CITGO STATE #001	M-16-08S-38E	Roosevelt County
30-025-11277	JACK A 29 #002	I-29-24S-37E	Lea County
30-025-11279	JACK A 29 #004	O-29-24S-37E	Lea County
30-025-11174	LANGLIE JACK UNIT #004	B-20-24S-37E	Lea County
30-025-11173	LANGLIE JACK UNIT #006	D-20-24S-37E	Lea County
30-025-11172	LANGLIE JACK UNIT #007	F-20-24S-37E	Lea County
30-025-11268	LITIE WOOLWORTH #004	L-28-24S-37E	Lea County
30-025-30870	RED CLOUD #002	M-3 -25S-37E	Lea County
30-025-24814	STATE A 16 #001	M-16-24S-37E	Lea County
30-041-20325	STATE CO #001	L-16-08S-38E	Roosevelt County

The two wells in Roosevelt County are located approximately fifteen (15) miles East of Milnesand, New Mexico. The *Bay Federal #003* well is located approximately five (5) miles South of Monument, New Mexico. The remaining eight (8) wells are located approximately three (3) to ten (10) miles north of Jal, New Mexico.

2. **CASE 14005: Application of the New Mexico Oil Conservation Division for a Compliance Order against Tucumcari Exploration, LLC Quay County, New Mexico.** The Applicant seeks an Order requiring Operator in fact, Tucumcari Exploration, LLC (“Tucumcari”) to properly and fully register as Operator of record for the seven (7) wells described herein, and for an Order further requiring Tucumcari to bring the seven (7) subject wells into compliance, or alternatively authorizing the division to plug the wells and forfeit any applicable/available security in the event that Tucumcari fails to comply, and assessing an appropriate civil penalty, and for such other relief as the Director deems appropriate. The wells involved in this matter include the following:

ANNA KATHERYN #001	3-19-10N-27E	30-037-20051
ANNA KATHERYN #002	1-30-10N-27E	30-037-20052
JOHN DAVID #001	G-19-10N-27E	30-037-20053
JOHN DAVID #002	J-19-10N-27E	30-037-20054
RANDALS #005	D-20-10N-27E	30-037-20055
RANDALS #006	P-30-10N-27E	30-037-20056
RANDALS #007	F-29-10N-27E	30-037-20057

3. **CASE 14006: Application of the New Mexico Oil Conservation Division for a Compliance Order against Chaparral Energy, LLC.** Applicant seeks an order finding that Chaparral Energy, LLC knowingly and willfully violated Oil Conservation Division Rule 19.15.13.1105 NMAC by failing to file a C-105 Well Completion and Recompletion Report and Log Form; requiring Chaparral Energy, LLC to file a C-105 Well Completion and Recompletion Report and Log Form by a date certain; assessing penalties for Chaparral Energy, LLC’s knowing and willful violation of Oil Conservation Division Rule 19.15.13.115; and for such other relief as the Director deems appropriate. The affected well is the Roberts 13 No. 001Y well, API No. 30-015-34892, Unit Letter G, Section 13, Township 17 South, Range 26 East, in Eddy County, New Mexico. The well is located approximately 10 miles east of Artesia, New Mexico.
4. **CASE 14007: Application of the New Mexico Oil Conservation Division for a Compliance Order against Southwestern Inc.** The Applicant seeks an order finding that operator is in violation of 19.15.3.100.C NMAC, and is in violation of 19.15.4.201 NMAC, 19.15.1.13.B NMAC and 19.15.3.116.D NMAC as to one well, determining that the violations are knowing and willful and imposing a penalty, requiring operator to come into compliance by a date certain and authorizing the division to plug said well in the event of non-compliance and forfeit the applicable financial assurance. The affected well is: State VC #001, 30-025-03035, L-36-17S-35E. The well is located approximately eight miles west of Humble City in Lea County, New Mexico.
5. **CASE 14008: Application of the New Mexico Oil Conservation Division for a Compliance Order.** The Applicant seeks an order 1) finding that Yeso Energy, Inc., OGRID 221710, knowingly and willfully violated 19.15.13.1115.C NMAC, 19.15.13.1104 NMAC, 19.15.9.701 NMAC and 19.15.10.804.A NMAC as to nineteen wells and imposing monetary penalties for those violations; and 2) requiring the operator to avail itself to an audit and submit corrected records; or, alternatively, 3) ordering operator to plug and abandon all remaining wells for which it remains the operator of record in the state of New Mexico, pursuant to NMSA 70-2-14(B), and, in the event of non-compliance, authorizing the Division to plug said wells and forfeit the operator’s financial assurance. The affected wells are:

CORTLAND MYERS UNIT #001	30-025-11194
CORTLAND MYERS UNIT #002	30-025-11195
CORTLAND MYERS UNIT #004	30-025-11198
CORTLAND MYERS UNIT #005	30-025-11199