

AMENDED DOCKET: EXAMINER HEARING - TUESDAY - JUNE 2, 2009

8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Docket Nos. 21-09 and 22-09 are tentatively set for June 11, 2009 and June 25, 2009. 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.

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| <i>Locator Key for Cases</i> |
| <i>Case 13922 - No. 10</i> |
| <i>Case 14271 - No. 12</i> |
| <i>Case 14282 - No. 14</i> |
| <i>Case 14290 - No. 16</i> |
| <i>Case 14300 - No. 8</i> |
| <i>Case 14301 - No. 7</i> |
| <i>Case 14302 - No. 1</i> |
| <i>Case 14303 - No. 2</i> |
| <i>Case 14310 - No. 13</i> |
| <i>Case 14311 - No. 15</i> |
| <i>Case 14320 - No. 3</i> |
| <i>Case 14321 - No. 4</i> |
| <i>Case 14322 - No. 5</i> |
| <i>Case 14323 - No. 6</i> |
| <i>Case 14324 - No. 9</i> |
| <i>Case 14325 - No. 11</i> |

1. **CASE 14302:** *(Continued from the May 28, 2009 Examiner Hearing.)(This case will be dismissed.)*
Application of the New Mexico Oil Conservation Division for a Compliance Order against Slayton Resources, Inc. The Applicant seeks an order finding Operator in violation of Rule 19.15.25.8 NMAC as to one well; requiring Operator to bring the well into compliance by a date certain; requiring Operator to plug the well if it is not brought into compliance by set date; authorizing the division to plug and abandon the well and forfeit the applicable financial assurance in event of Operator's non-compliance; and assessing penalties. The affected well is:

- State COM No. 001; 30-005-60302; M-36-14S-27E

The well is located approximately 13 miles Southeast of Hagerman, in Chaves County, New Mexico.

2. **CASE 14303:** *(Continued from the May 14, 2009 Examiner Hearing.)(This case will be dismissed.)*
Application of the New Mexico Oil Conservation Division for a Compliance Order against Jay Management Company, LLC. The Applicant seeks an order finding that the operator is in violation of 19.15.25.8 NMAC as to twenty-four wells, requiring operator to return the wells to production, place the wells on approved temporary abandonment status, or properly plug and abandon the wells by a date certain, and in the event of non-compliance authorizing the division to plug and abandon

the wells and forfeit the applicable financial assurance. The affected wells are: Amerada Com #001, 30-025-22378, J-28-11S-33E; Andover Federal #001, 30-025-21904, P-17-11S-33E; Bess #002, 30-025-28545, A-20-11S-33E; Clark State #001, 30-025-21880, D-27-11S-33E; Collier #001, 30-025-00994, F-9-11S-33E; Eva Com #001, 30-025-22412, J-20-11S-33E; G S State #001, 30-025-22811, G-8-11S-33E; Iva Com. #001, 30-025-22437, H-20-11S-33E; Kelsay #001, 30-025-01005, M-28-11S-33E; Leigh Com #001, 30-025-22541, N-20-11S-33E; New Mexico B State #001, 30-025-00035, B-27-10S-32E; New Mexico B State #003, 30-025-00037, B-27-10S-32E; New Mexico X State #001, 30-025-21603, P-10-10S-32E; Opal #001, 30-025-22561, D-20-11S-33E; Queen Com #001, 30-025-22642, L-20-11S-33E; Rose #001, 30-025-22653, C-32-11S-33E; Shell State Com #001, 30-025-22226, H-17-11S-33E; Sohio B State #001, 30-025-22122, P-5-11S-33E; Sohio State #001, 30-025-22043, P-4-11S-33E; State NBF #001, 30-025-20891, F-22-11S-33E; State NBN #001, 30-025-00998, N-16-11S-33E; Vera #001, 30-025-22761, E-32-11S-33E; Warren A State #001, 30-025-23338, I-28-11S-33E; Warren State #001, 30-025-22012, G-28-11S-33E. The wells are located approximately 20 miles Northwest of Tatum, in Lea County, New Mexico.

3. **CASE 14320:** *Application of the New Mexico Oil Conservation Division for a Compliance Order against John Cravey d/b/a JRC Petroleum.* The Applicant seeks an order finding that the operator is in violation of 19.15.25 NMAC and 19.15.5.9 NMAC, revoking Administrative Order SWD-1141, requiring operator to plug and abandon all the wells he operates by a date certain, and authorizing the division to plug and abandon the wells if the operator does not comply. The affected wells are: Bradley Federal #001, 30-015-00391, D-13-24S-26E; Bradley Federal #002, 30-015-00387, P-11-24S-26E; Bradley Federal #005, 30-015, 00382, P-11-24S-26E; Bradley Federal #006, 30-015-00386, I-11-24S-26E; Bradley Federal #008, 30-015-00383, K-11-24S-26E. The wells are located near Black River Village in Eddy County, New Mexico.
4. **CASE 14321:** *Application of the New Mexico Oil Conservation Division, Through the Enforcement and Compliance Manager, for a Compliance Order Against KEVIN O. BUTLER AND ASSOCIATES, INC [OGRID 12627],* Finding that the Operator is in Violation of 19.15.8.9 & 19.15.25.8 NMAC as to 32 Wells; Requiring Operator to Plug All 39 of its wells Operated in the State of New Mexico By a Date Certain, and in the Event the Operator Fails to Do So, authorizing the Division to do so, forfeiting any applicable bonds, pursuant to Section 70-2-14(B) NMSA 1978, Eddy, Chaves and Lea Counties New Mexico. The Applicant seeks an Order finding that Operator is in violation of OCD Rules 19.15.8.9 & 19.15.25.8 NMAC as to 32 wells, and requiring KOB to plug and abandon each of the 39 wells it operates in the state of New Mexico by a date certain, or in the event that Operator fails to do so, pursuant to Section 70-2-14(B) NMSA 1978, authorizing the Division to plug operator's wells and forfeit any applicable financial assurance. THE SPECIFIC WELLS INVOLVED IN THIS MATTER INCLUDE THE FOLLOWING:

| Well Name: | API No.: | Coordinates: Latitude, Longitude (location approximation) |
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| AETNA EAVES #002 | 30-025-27789 | 32.8989288674046, -103.112458881402 (approx 13 mi SE Lovington, 3 mi W TX/NM border, 10 mi NE Hobbs) |
| ANDERSON #001 | 30-025-29953 | 32.9499100000000, -103.302540 (approx 6 mi E Lovington, just N highway 83) |
| ANDERSON 6 #001 | 30-025-29748 | 32.9449800000000, -103.296250 (same approx area as Anderson #001, above) |
| BYERS #001 | 30-025-33407 | 32.8969801818768, -103.068428058588 (approx 16 mi SE Lovington, 1 mi W TX/NM border) |

G-8-11S-33E; Iva Com. #001, 30-025-22437, H-20-11S-33E; Kelsay #001, 30-025-01005, M-28-11S-33E; Leigh Com #001, 30-025-22541, N-20-11S-33E; New Mexico B State #001, 30-025-00035, B-27-10S-32E; New Mexico B State #003, 30-025-00037, B-27-10S-32E; New Mexico X State #001, 30-025-21603, P-10-10S-32E; Opal #001, 30-025-22561, D-20-11S-33E; Queen Com #001, 30-025-22642, L-20-11S-33E; Rose #001, 30-025-22653, C-32-11S-33E; Shell State Com #001, 30-025-22226, H-17-11S-33E; Sohio B State #001, 30-025-22122, P-5-11S-33E; Sohio State #001, 30-025-22043, P-4-11S-33E; State NBF #001, 30-025-20891, F-22-11S-33E; State NBN #001, 30-025-00998, N-16-11S-33E; Vera #001, 30-025-22761, E-32-11S-33E; Warren A State #001, 30-025-23338, I-28-11S-33E; Warren State #001, 30-025-22012, G-28-11S-33E. The wells are located approximately 20 miles Northwest of Tatum, in Lea County, New Mexico.

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| BYERS #001 | 30-025-33407 | 32.8969801818768, -103.068428058588 (approx 16 mi SE Lovington, 1 mi W TX/NM border) |
| DELMONT L HATFIELD #001 | 30-025-27487 | 32.9052851549496, -103.114973264276 (approx 14 mi SE Lovington, 5 mi W NM/TX border) |
| E B ANDERSON #001 | 30-025-22340 | 33.2197061093046, -103.142010761248 (approx 20 mi SE Tatum, 3 mi S of US380) |