

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

RECEIVED  
2009 OCT 21 PM 4:08

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST C & D MANAGEMENT COMPANY D/B/A FREEDOM VENTURES COMPANY, FINDING THAT THE OPERATOR KNOWINGLY AND WILLFULLY VIOLATED 19.15.13.1115 NMAC AND 19.15.4.201 NMAC; ASSESSING PENALTIES; REQUIRING OPERATOR TO BRING SAID WELLS INTO COMPLIANCE WITH 19.15.13.1115 NMAC AND 19.15.4.201 NMAC BY A DATE CERTAIN; AND IN THE EVENT OF NON-COMPLIANCE, DECLARING THE WELLS ABANDONED AND AUTHORIZING THE DIVISION TO PLUG THE WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE, EDDY COUNTY, NEW MEXICO

CASE NO. 14055  
DE NOVO  
RE-OPENED

**APPLICANT OIL CONSERVATION DIVISION'S PROPOSED FINDINGS OF FACT  
AND CONCLUSIONS OF LAW**

COMES NOW Applicant Oil Conservation Division (hereinafter, "Division") and hereby submits its proposed findings of fact and conclusions of law in the above-styled matter:

1. Due public notice has been given, and the Commission has jurisdiction of this case and its subject matter.
2. C & D Management Company d/b/a Freedom Ventures Company (hereinafter, "Operator") is the operator of the following oil or gas wells in Eddy County, New Mexico:

<u>Name</u>	<u>Location</u>	<u>API No.</u>
Amoco #001	L-13-17S-27E	30-015-24738
Hastie #016	4-18-17S-28E	30-015-22371
Hastie #017	3-18-17S-28E	30-015-22852
Hastie #018	N-18-17S-28E	30-015-22848
Hastie #019	2-18-17S-28E	30-015-23186
Hastie #020	1-18-17S-28E	30-015-23516

Hastie #021	C-18-17S-28E	30-015-23821
Michael State #001	H-25-17S-27E	30-015-24877
Muncy Federal #001	F-13-17S-27E	30-015-23083
Muncy Federal #002	E-13-17S-27E	30-015-25012
Saunders #012	O-13-17S-27E	30-015-22348
Schneider #001	J-24-17S-27E	30-015-22907
Scott Federal #001	P-12-17S-27E	30-015-25437
Shearn Becky Federal #001	B-14-17S-27E	30-015-34440
Shearn Freedom Federal #002	A-14-17S-27E	30-015-34454
Shearn Samantha Federal #001	G-14-17S-27E	30-015-31059
Shearn Shilo Federal #001	B-14-17S-27E	30-015-31061

3. On February 20, 2009, the Division filed a motion to re-open the case seeking two forms of relief: 1) a plugging order pursuant to NMSA 1978, Section 70-2-14(B), and 2) an order finding an assessed \$5,000.00 civil penalty due and owing. The Division subsequently dismissed the civil penalties after the New Mexico Supreme Court's decision in Marbob Energy Corp. v. N.M. Oil Conservation Comm'n, 2009-NMSC-013, 146 N.M. 24, 206 P.3d 135.
4. On July 9, 2009, the Division filed an amended pre-hearing statement seeking an additional form of relief: an Order pursuant to Division Rule 19.15.5.9 NMAC (hereinafter, "Part 5.9") finding Operator to be in violation of an order requiring corrective action.
5. Operator was further informed by the Division's opening statement at the July 16, 2009 hearing, that the Division was asking the Commission "for an Order finding Operator to be in violation of the Order requiring corrective action," pursuant to Part 5.9. The Division presented its evidence in support of an Order finding Operator to be in violation of the Order requiring corrective action at the July 16, 2009 hearing before the Commission continued the hearing to August 13, 2009.
6. Operator presented its entire case in chief at the August 13, 2009 hearing.
7. Operator had sufficient notice that the Division was seeking, pursuant to Part 5.9, an Order finding Operator to be in violation of the Order requiring corrective action.

#### **Order Pursuant to Rule 19.15.5.9 NMAC**

8. Part 5.9.A NMAC is an enforcement rule. To be in compliance with Part 5.9, an operator must post the required financial assurances, have no unpaid penalties, not have too many inactive wells, and not be in violation of an order requiring corrective action.
9. If an operator is in violation of Part 5.9, the Division must deny injection permits, allowables and authorization to transport, and the Division may deny operator

registration, applications for permit to drill (APD's), and change of operator. The Division may also revoke injection permits after notice and hearing.

10. Before Part 5.9 will apply to an operator in violation of an order requiring corrective action, the operator is entitled to notice and a hearing. At that hearing, the Division must prove the existence of an order requiring corrective action, and that the operator failed to complete corrective action.
11. If the Commission enters an order finding the operator in violation of an order requiring corrective action, the operator will be in violation of Part 5.9 until that order is satisfied.
12. Once the operator has completed the corrective action, it may file a motion to declare the order satisfied. The burden will be on the operator to prove that it has completed the required corrective action. 19.15.5.9.C NMAC.
13. Commission Order No. R-12913-A was issued on August 14, 2008. Ordering Paragraph Two of Order R-12913-A required Operator to bring the Muncy Federal No. 001, Muncy Federal No. 002, Saunders No. 012, Schneider No. 001, and Scott Federal No. 001 wells into compliance with Division Rule 19.15.4.201 NMAC by either returning them to production, placing them on Division-approved temporary abandonment status, or plugging and abandoning them by September 14, 2008.
14. Ordering Paragraph Four of Order No. R-12913-A also provided that the Division can plug the wells if Operator does not meet the deadline and bring a suit against Operator to recover any plugging costs exceeding the amount recoverable from the financial assurance.
15. Operator did not appeal Order R-12913-A, and the order became final.
16. The Division presented the testimony of Daniel Sanchez, the Division's Enforcement and Compliance Manager. Mr. Sanchez testified that:
  - a. Operator failed to take the corrective action required by Order R-12913-A because it failed to return the identified wells to compliance.
  - b. The Division subsequently plugged the wells.
  - c. The estimated cost of plugging the wells exceeds the \$10,000 financial assurances posted by Operator.
  - d. Because the wells are now plugged, they do not appear on the inactive well list kept under Part 5.9, and the ironic result will be that Operator will appear to be in compliance with the inactive well rule as to those wells.

- e. Issuance of an order finding Operator in violation of an order requiring corrective action will help enforce Order R-12913-A by keeping Operator under the sanctions imposed by Part 5.9 until it satisfies the terms of the order.
  - f. Because the Division has plugged the wells, and the Operator can no longer return the wells to compliance, the Division suggests that the Operator satisfy the terms of Order R-12913-A by reimbursing the Division for its costs in plugging the wells, minus any amounts recovered by the Division on the Operator's financial assurances, as required by statute and rule. NMSA 1978, Section 70-2-14(E); NMSA 1978, Section 70-2-38(B); 19.15.8.13 NMAC.
- 17. Operator through cross-examination and testimony, challenged the legitimacy of Order R-12913-A, and the Division's plugging costs.
  - 18. Operator also testified that its intent was to seek permits to drill new wells, and was not sure it would reimburse the Division for its costs in plugging the wells under Order R-12913-A.
  - 19. Operator's arguments are not relevant to this proceeding. Challenges to the legitimacy of Order R-12913-A should have been raised in an appeal of that order, but Operator failed to appeal. Operator may present arguments regarding the satisfaction of Order R-12913-A at a subsequent hearing. The burden will be on the operator to demonstrate that it has satisfied the order.
  - 20. The Commission should issue an order finding Operator in violation of an order requiring corrective action, because Operator did not complete the corrective action required by Order R-12913-A.
  - 21. Issuance of such an order would enforce Order R-12913-A. Failure to issue such an order would allow Operator to escape the sanctions of Part 5.9 by removing wells from the inactive well list due to the Division's actions to plug the wells, despite Operator's failure to return them to compliance.

**Section 70-2-14(B) Order**

- 22. The Division seeks an Order pursuant to Section 70-2-14 NMSA 1978 to require Operator to plug and abandon all of its wells by a date certain for Operator's non-compliance with Division Rule 19.15.7.24 NMAC (previously numbered 19.15.13.1115 NMAC), and in the event of Operator's non-compliance with such Order, authorization to plug said wells and forfeiture of Operator's applicable financial assurances.
- 23. The basis for the motion is Operator's non-compliance with Commission Order R-12913-A, which ordered Operator to comply with Division Rule 19.15.13.1115 NMAC and file true and accurate reports electronically on form C-115 for all of its

wells, for all months from January 2008 through and including May 2008, by no later than September 14, 2008, and Operator's continued non-filing of C-115s.

24. Section 70-2-14(B) NMSA 1978 as amended, provides that if any of the requirements of the Oil and Gas Act or the rules promulgated pursuant to that act have not been complied with, the Director may order any well plugged and abandoned by the operator in accordance with division rules, and if the operator fails to comply with such order, may authorize the Division to plug such well and decrees forfeiture of applicable financial assurance.
25. Division Rule 19.15.7.24 NMAC, promulgated under the Oil and Gas Act, requires operators to file an acceptable monthly report, form C-115, for each non-plugged well completion for which the Division has approved a C-104 authorization to transport, and for each secondary or other enhanced recovery project or pressure maintenance project injection well or other injection well, setting forth complete information and data indicated on the form in the order, format and style the Director prescribes.
26. There already is a finding in this case that Operator is a non-filer and was missing C-115s for January 2008 through May 2008. Operator filed the C-115 for January 2008 on August 4, 2008, right after the first de novo hearing within the deadline of the Order. (Testimony of Jane Prouty, July 16, 2009) The rest of the C-115s started hitting the Division's system on March 26 and 27, 2009. (Testimony of Thomas Kizer, August 13, 2009; Testimony of Jane Prouty, July 16, 2009)
27. The missing C-115s were not filed at the time the Division's motion to re-open was filed. (Testimony of Thomas Kizer, August 13, 2009; Testimony of Jane Prouty, July 16, 2009)
28. The missing C-115s did not start hitting the Division's system until March 26, 2009. (Testimony of Thomas Kizer, August 13, 2009; Testimony of Jane Prouty, July 16, 2009)
29. Within a couple of days of its March 2009 filings Operator informed the Division that the C-115s were not accurate. (Testimony of Jane Prouty, July 16, 2009; Testimony of Thomas Kizer, August 13, 2009)
30. Operator did not identify which C-115s were inaccurate or why they were inaccurate. (Testimony of Jane Prouty, July 16, 2009)
31. However, Operator testified that these C-115s were accurate at the time. (Testimony of Thomas Kizer, August 13, 2009) Operator then consciously amended the C-115s to report inaccurate data.
32. Operator testified that the C-115s are filed but do not provide complete information and data. (Testimony of Thomas Kizer, August 13, 2009)

33. Operator testified that the C-115s are inaccurate for all reporting periods. (Testimony of Thomas Kizer, August 13, 2009)

34. Evidence of specific C-115 reporting errors include:

- a. Operator is reporting zero production on a productive well. (Testimony of Thomas Kizer, August 13, 2009; Testimony of Jane Prouty, August 13, 2009)
- b. Operator testified it would get in trouble with the federal government if it reported production so it consciously decided to report erroneous data. (Testimony of Thomas Kizer, August 13, 2009)
- c. However, Operator also testified that the Bureau of Land Management (hereinafter, "BLM") wanted Operator to report production on the productive well. (Testimony of Thomas Kizer, August 13, 2009).
- d. Operator testified that reporting the production on the productive well did not matter much in May 2009 anyway because the well had just been plugged so it amended the production to zero. (Testimony of Thomas Kizer, August 13, 2009)
- e. Operator isn't reporting production on another productive well because Operator testified it does not have to since it does not have an approved C-104. (Testimony of Thomas Kizer, August 13, 2009)
- f. Operator was reporting water then stopped. (Testimony of Jane Prouty, July 16, 2009)
- g. Operator did not provide an explanation as to why it stopped reporting water.
- h. Significant change in the amount of production first reported and later amended. This occurred with a lot of Operator's wells. (Testimony of Jane Prouty, July 16, 2009)
- i. Amendments that all of a sudden showed production for wells that had not produced for a very long time. (Testimony of Jane Prouty, July 16, 2009)
- j. Operator certified that the data was correct before it amended the amounts drastically. (Testimony of Jane Prouty, July 16, 2009)
- k. Operator took production from wells it reported production on and applied it to wells that Operator reported as not producing. (Testimony of Jane Prouty, July 16, 2009)
- l. Operator is switching production via amendments. The Division does not know which data is correct.

- m. Change in transporter. (Testimony of Jane Prouty, July 16, 2009)
- n. The amounts the transporter picked up differed from the initial filing to the amended filing. (Testimony of Jane Prouty, July 16, 2009)
- o. Operator was entering an invalid transporter number. (Testimony of Jane Prouty, July 16, 2009; Testimony of Thomas Kizer, August 13, 2009)
- p. Operator was reporting a transporter that no longer exists. (Testimony of Jane Prouty, July 16, 2009)
- q. Correct transporter has never been reported. (Testimony of Jane Prouty, July 16, 2009)
- r. Operator testified that it never checked to see if transport information was correct. (Testimony of Thomas Kizer, August 13, 2009)
- s. Reporting zero production in tanks and then reporting production in tanks. (Testimony of Jane Prouty, August 13, 2009)
- t. Operator not reporting oil and water that was in tanks. (Testimony of Thomas Kizer, August 13, 2009)
- u. Since so much time had passed from the reporting period to the time that Operator actually filed its C-115s, the information for filing the C-115s should have been settled and should not have been subject to such drastic change so far after the reporting period. It is usual for reporting to be that far off so late after the fact. (Testimony of Jane Prouty, July 16, 2009)
- v. Operator did not come back before the Commission for instruction or to amend the Order. (Testimony of Thomas Kizer, August 13, 2009)
- w. Operator never contacted the Division's Automation and Records Bureau about not filing the C-115s by the September 14, 2008 deadline (Testimony of Jane Prouty, July 16, 2009)
- x. Operator knew C-115s had to be filed with the Division by September 14, 2008, but instead filed a sundry notice with the BLM in August 2008 promising to report production starting in August 2008, which Operator did not do. (Testimony of Thomas Kizer, August 13, 2009)
- y. Operator did not try filing the C-115s until March 2009. (Testimony of Thomas Kizer, August 13, 2009)

- z. No issues of Operator not being able to file C-115s because of one well. (Testimony of Jane Prouty, August 13, 2009) Operator has been able to file C-115s. (Testimony of Thomas Kizer, August 13, 2009; Testimony of Jane Prouty, August 13, 2009)
  - aa. Operator is not current in its reporting. Operator has not filed the C-115 for May 2009. (Testimony of Jane Prouty, July 16, 2009) At the July 16, 2009 hearing Operator knew the May 2009 C-115 was due but still has not filed it. (Testimony of Jane Prouty, August 13, 2009)
  - bb. Operator has made no effort to correct the C-115s since the hearing. (Testimony of Thomas Kizer, August 13, 2009)
  - cc. Operator did not provide an explanation as to why it's not current in its reporting.
  - dd. April 2009 C-115 had balancing errors. (Testimony of Jane Prouty, July 16, 2009)
  - ee. Some C-115s were rejected due to Operator errors. (Testimony of Jane Prouty, July 16, 2009)
  - ff. Operator could have determined how to report correctly but it did not do it.
  - gg. Operator was doing a lot of things wrong. (Testimony of Thomas Kizer, August 13, 2009)
  - hh. Operator had computer problems. (Testimony of Thomas Kizer, August 13, 2009)
  - ii. Operator inserted wrong API number. (Testimony of Thomas Kizer, August 13, 2009; Testimony of Jane Prouty, July 16, 2009)
  - jj. Operator inserted wrong well. (Testimony of Thomas Kizer, August 13, 2009; Testimony of Jane Prouty, July 16, 2009)
  - kk. Operator was entering wrong numbers. (Testimony of Thomas Kizer, August 13, 2009)
  - ll. Operator was not adding numbers correctly. (Testimony of Thomas Kizer, August 13, 2009)
35. There is a finding that Operator failed to file C-115s after it acquired the wells in October 2004



36. Since March 2006, the Division has taken the following actions to get Operator to file its C-115s.

- a. Calling Operator and having telephone conferences with Operator. (Testimony of Jane Prouty, July 16, 2009)
- b. The Division has sent Operator numerous written notices of intent to revoke Operator's authority to transport and inject. The Division sent many notices to Operator even after the July 2008 Commission hearing when Operator continued to not file C-115s. (Testimony of Jane Prouty, July 16, 2009)
- c. The Division revoked Operator's authority to transport and inject into its wells. (Exhibit 26)
- d. The Division has had numerous administrative compliance conferences with Operator. (Testimony of Daniel Sanchez, July 30, 2008; Testimony of Jane Prouty, July 2009)
- e. The Division has worked with Operator to get the C-115s filed, even creating a C-115 for Operator which the Division normally does not do. (Testimony of Jane Prouty, July 16, 2009)
- f. The Division filed an application for a compliance order against Operator in March 2007. (Testimony of Thomas Kizer, July 30, 2008)
- g. The Division entered into an agreed compliance order with Operator in March 2007. Mr. Kizer came to hearing when this application was dismissed. (Testimony of Thomas Kizer, July 30, 2008; Testimony of Daniel Sanchez, July 30, 2008)
- h. The Division filed an application for a compliance order in December 2007 when Operator continued to not file C-115s.
- i. The Division re-opened the case in February 2009 when Operator continued to not file C-115s.
- j. Division hearing examiner and the Commission have issued orders in this case directing Operator to file true and accurate C-115s, and to file them timely, but Operator continues to not file true and accurate C-115s.
- k. The Division has issued several letters of violation to Operator for non-reporting and inactivity.
- l. The Division has sent Operator numerous correspondences, including certified letters. (Testimony of Jane Prouty, July 16, 2009)

- m. The Division has spent an exponentially higher amount of time and resources with Operator than any other operator but Operator still has not filed accurate and complete C-115s. (Testimony of Jane Prouty, July 16, 2009)
- 37. Operator promised at the July 2008 de novo hearing that it would file delinquent C-115s as soon as its professional reporting service returned from vacation. However, Operator only filed January 2008 C-115 on August 4, 2008.
- 38. Operator testified at the July 2008 hearing that it had all the information necessary to file the C-115s and had given then information to its professional reporting service to file, and had paid the service in advance for the filing. But at the August 13, 2009 hearing Operator testified that it could not meet the September 14, 2008 deadline because it did not have the information to file C-115s. (Testimony of Thomas Kizer, August 13, 2009)
- 39. Operator testified it takes filing true and accurate C-115s “very seriously.” However, it consciously decided to report erroneous data so it would not get into trouble with the federal government and still has not corrected the data. (Testimony of Thomas Kizer, August 13, 2009)
- 40. Operator received the written notices of intent to revoke Operator’s authority to transport and inject that the Division had sent it after the July 2008 hearing for continued non-filing. (Testimony of Thomas Kizer, August 13, 2009; Testimony of Jane Prouty, July 16, 2009). Although the notices instructed Operator to call the Division, the Division’s telephone logs show that Operator did not call the Division about filing the C-115s until March 6, 2009. (Testimony of Jane Prouty, July 16, 2009)
- 41. Operator’s practice of not filing C-115s until the matter actually proceeds to a hearing did not change after the July 2008 hearing. (Testimony of Jane Prouty, July 16, 2009)
- 42. There is no indication that Operator’s pattern of not filing C-115s until a case proceeds to a hearing would change. (Testimony of Jane Prouty, July 16, 2009)
- 43. Operator has not corrected the inaccurate C-115s it said it filed for the reporting periods before February 2008, or asked the Division to withdraw these inaccurate C-115s, despite declaring in its pre-hearing statement that it did. (Testimony of Jane Prouty, July 16, 2009; Testimony of Thomas Kizer, August 13, 2009)
- 44. The Saunders has a graph chart that accurately records production data that Operator’s pumper knows how to read. Operator is also receiving monthly production statements from DCP Mainstream Gas and Electrical Service (hereinafter, “DCP”) showing the production for the Saunders. (Testimony of Thomas Kizer, August 13, 2009; Testimony of George Shipley, August 13, 2009)

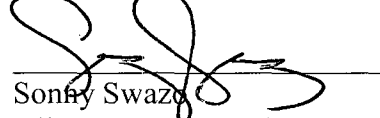
45. Operator testified that it's not that difficult to take the production on the DCP statements and transfer it to a C-115. (Testimony of Thomas Kizer, August 13, 2009)
46. However, Operator still has not corrected the C-115s despite having all of the necessary data to report production for all reporting periods. (Testimony of Thomas Kizer, August 13, 2009)
47. Operator is promising again to become correct but it did not correct the C-115s though it had a hearing date and continuance for additional testimony.
48. Operator could not give a date as to when it would correct the C-115s. (Testimony of Thomas Kizer, August 13, 2009)
49. The Division offers the following materials on the web to help operators file C-115s.
  - a. Detailed C-115 instructions. (Testimony of Jane Prouty, July 16, 2009)
  - b. A manual on how to create a C-115. (Testimony of Jane Prouty, August 13, 2009)
  - c. A manual on how to file a C-115. (Testimony of Jane Prouty, August 13, 2009)
  - d. A Frequently Asked Questions sheet. (Testimony of Jane Prouty, July 16, 2009)
  - e. A sample C-115 and instructions. (Testimony of Jane Prouty, July 16, 2009)
  - f. A list of all error codes and what to do when you get each type of error and who to call. (Testimony of Jane Prouty, July 16, 2009)
  - g. A flow-chart. (Testimony of Jane Prouty, August 13, 2009)
  - h. All the print screens involved. (Testimony of Jane Prouty, July 16, 2009)
  - i. A quick sheet. (Testimony of Jane Prouty, July 16, 2009)
  - j. A macro download and steps on how to download it. (Testimony of Jane Prouty, July 16, 2009)
50. The Commission should issue an Order, pursuant to NMSA 1978, Section 70-2-14(B), requiring Operator to plug and abandon all of its wells by a date certain because of Operator's non-compliance with Division Rule 19.15.7.24 NMAC, and in the event of Operator's non-compliance with the Order, authorizing the Division to plug and abandon any or all of Operator's wells and forfeit the applicable financial assurance.

**IT IS THEREFORE ORDERED THAT:**

1. The Commission has determined that Operator is out of compliance with Part 5.9 because it failed to take required corrective action pursuant to Order No. R-12913-A.
2. Operator may comply with the requirements of Part 5.9 by reimbursing the Division for the Division's actual costs of completing those actions on Operator's behalf, as required by Order No. R-12913-A, minus any amounts recovered by the Division on Operator's financial assurances.
3. When Operator reimburses the Division for the Division's actual costs of completing those actions required by Order R-12913-A, it may file a motion with the Commission to declare Order No. R-12913-A satisfied.
4. Operator shall properly plug and abandon all of its wells in accordance with 19.15.25.9 NMAC through 19.15.25.11 NMAC and with a plugging procedure approved by the Division's Artesia District Office, on or before November 25, 2009.
5. In the event that Operator fails to comply with Ordering Paragraph 4 within the time provided, the Division may proceed to plug and abandon any or all of Operator's wells, and to restore the well sites, and any applicable financial assurance shall be forfeited to the Division. If the Division incurs costs in plugging the wells or restoring the well sites exceeding the amount recoverable from applicable financial assurance, the Division may bring suit to recover the excess costs incurred from Operator.
6. Jurisdiction of this case is retained for the entry of such further orders as the Commission may deem necessary.

Respectfully submitted

this 21st day of October 2009 by

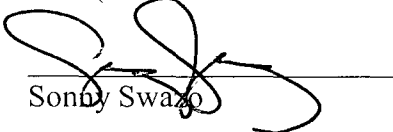


Sonny Swazo  
Oil Conservation Division  
Energy, Minerals and Natural  
Resources Department  
1220 S. St. Francis Drive  
Santa Fe, NM 87505  
(505) 476-3463  
Fax (505) 476-3462  
Email: sonny.swazo@state.nm.us  
Attorney for the Oil Conservation Division

### **CERTIFICATE OF SERVICE**

I hereby certify that on October 21, 2009, a true and accurate copy of the foregoing pleading was served upon:

Ernest L. Padilla  
Attorney for C&D Management Company d/b/a Freedom Ventures Company  
P.O. Box 2523  
Santa Fe, NM 87504-2523  
Fax: (505) 988-7592



Sonny Swazo

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

RECEIVED OCD  
2009 OCT 22 A 9:53

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST C & D MANAGEMENT COMPANY D/B/A FREEDOM VENTURES COMPANY, FINDING THAT THE OPERATOR KNOWINGLY AND WILLFULLY VIOLATED 19.15.13.1115 NMAC AND 19.15.4.201 NMAC; ASSESSING PENALTIES; REQUIRING OPERATOR TO BRING SAID WELLS INTO COMPLIANCE WITH 19.15.13.1115 NMAC AND 19.15.4.201 NMAC BY A DATE CERTAIN; AND IN THE EVENT OF NON-COMPLIANCE, DECLARING THE WELLS ABANDONED AND AUTHORIZING THE DIVISION TO PLUG THE WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE, EDDY COUNTY, NEW MEXICO

CASE NO. 14055  
DE NOVO  
RE-OPENED

**ORDER DENYING IN PART AND GRANTING IN PART C&D MANAGEMENT  
COMPANY D/B/A FREEDOM VENTURES COMPANY'S MOTION FOR A  
CONTINUANCE, AND IN THE ALTERNATIVE, FOR AN EXTENSION OF TIME  
WITHIN WHICH TO FILE REQUESTED FINDINGS OF FACT AND CONCLUSION  
OF LAW.**

THIS MATTER having come before the Oil Conservation Commission on C&D Management Company d/b/a Freedom Ventures Company's Motion for Continuance, and, in the Alternative, for an Extension of Time Within Which to File Requested Finding of Fact and Conclusion of Law,

The Commission having reviewed the Motion, hearing oral argument on the Motion, and otherwise being fully informed of the circumstances, hereby finds that portion of the Motion requesting a continuance to be not well-taken, and finds that portion of the Motion requesting a

two-week extension of time to file requested finding of fact and conclusion of law to be well-taken.

**IT IS THEREFORE ORDERED THAT:**

1. That portion of the Motion requesting a continuance is DENIED.
2. That portion of the Motion requesting a two-week extension of time within which to file requested finding of fact and conclusion of law is GRANTED.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

---

MARK FESMIRE, CHAIR

---

JAMI BAILEY, MEMBER

---

WILLIAM OLSON, MEMBER