



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division

RECEIVED 005

2009 AUG 26



August 26, 2009

Mr. Ernest Padilla, Esq.
Padilla Law Firm, P.A.
P.O. Box 2523
Santa Fe, NM 87504-2523
Email: epadillaplf@qwestoffice.net

Attorney for C&D Management Company d/b/a Freedom Ventures Company

Mr. Thomas Kizer, President
C&D Management Company d/b/a Freedom Ventures Company
4801 Lang NE, Suite 110
Albuquerque, NM 87109
Email: oilfreedom@aol.com

Re: De Novo Case #14055
Plugging Invoices
Muncy Federal #001 API #30-015-23083
Muncy Federal #002 API #30-015-25012
Saunders #012 API #30-015-22348
Schneider #001 API #30-015-22907
Scott Federal #001 API #30-015-25437

Dear Gentlemen:

As instructed by the Oil Conservation Commission at the August 13, 2009 hearing, I am providing you with copies of the invoices that show the costs the Oil Conservation Division paid to have the five C&D Management Company d/b/a Freedom Ventures Company (hereinafter, "C&D Management") wells identified above plugged. The invoices do not include any costs that the Division may have to pay in the future for cleanup and restoration of the sites.

One of the invoices is an invoice for the Rampano #006 well. C&D Management was not the operator of record of the Rampano #006 well and we are not seeking reimbursement for the plugging costs associated with the plugging of the Rampano #006 well. However, the invoice includes part of a performance bond that the Division



paid to have the five C&D Management wells identified above plugged. The Division is seeking reimbursement of that portion of the invoice.

The performance bond is identified in the invoice for the Rampano #006 well as "bonding cost." The bonding cost charged to the Division was \$23,890.00. Of the \$23,890.00 bonding cost charged to the Division, \$2,368.63 was for the plugging of the Muncy Federal #001; \$2,368.63 was for the plugging of the Muncy Federal #002; \$2,368.63 was for the plugging of the Saunders #012; \$3,006.34 was for the plugging of the Schneider #001; and \$2,459.73 was for the plugging of the Scott Federal #001.

The following amounts are the costs the Division paid to have the five C&D Management wells identified above plugged.

Well	Invoice	Performance Bond	Total Cost
Muncy Federal #001	\$17,259.13	\$2,368.63	\$19,627.76
Muncy federal #002	\$32,948.64	\$2,368.63	\$35,317.27
Saunders #012	\$38,804.79	\$2,368.63	\$41,173.42
Schneider #001	\$43,256.07	\$3,006.34	\$46,262.41
Scott Federal #001	\$26,066.25	\$2,459.73	\$28,525.98
Total	\$158,334.88	\$12,571.96	\$170,906.84

Salvage from the Schneider #001 is accounted for in the Schneider #001 invoice. The amount salvaged from the Schneider #001 was \$230.00 for tubing.

C&D Management had posted a \$10,000.00 irrevocable letter of credit pursuant to NMSA 1978, Section 70-2-14 to secure its obligation to plug and abandon wells on privately owned or state-owned lands in New Mexico in compliance with Division rules. The letter of credit was issued by The First National Bank of Artesia. The Division has forfeited the \$10,000.00 and deposited it into the Oil and Gas Reclamation Fund. Ten Thousand dollars can be deducted from the \$170,906.84 for the \$10,000.00 letter of credit that was forfeited to the Division.

Sincerely,



Sonny Swazo
OCD Assistant General Counsel

Copy

APR 27 2009

INVOICE

INVOICE

Mayo Marrs Casing Pulling Inc.
Box 863- Phone 586-2844
Kermit, Texas 79745

OIL CONSERVATION DIVISION/HOBBS DISTRICT
STATE OF NEW MEXICO
1307 W. GRAND AVE.
ARTESIA, NEW MEXICO 88201
ATTN: Sherry Bonham

DATE 4/23/2009
INV. # 09-5948-1
CONTRACT: # 80-521-00-04253

Company: NMOCD
Lease: NMOCD FOR C & D MANAGEMENT

(SEE REPORT)

BID PRICE				\$16,340.00
NEW MEXICO SALES TAX	EDDY	COUNTY	5.63%	\$919.13
TOTAL SALVAGE				
<hr/>				
FINAL PLUGGING COST FOR THIS WELL				\$17,259.13

ok to pay
[Signature]
4-30-09

MAYO MARRS CASING PULLING INC.

Lease: NMOCD
 Project: NMOCD FOR C & D MANAGEMENT
 ATTN: Sherry Bonham

FAX 505-393-9758
 PUSHHER - FRANK
 Tracking # 09-5948-1

4/7/2009 14 HRS

SAFETY MEETING SUPERVISOR LOCATE WELL - MOVE IN EQUIPMENT - RD WELL HEAD - RU BOP - RIH WITH GUAGE RING TO 976' CALL PHIL AND SAID TO SET CIBP @ 422' - RIH AND SET CIBP @ 422' - POH - RIH WITH TUBING - SDFD

6 A-5 - DOUBLE DERRICK RIG	\$275.00 /HR	=	\$1,650.00
1 A-1 - SUPERVISOR	\$300.00 /DAY	=	\$300.00
2 A-2 - CREW TRAVEL, ROUND TRIP TIME	\$175.00 /HR	=	\$350.00
5 B-1.1 CEMENTING EQUIPMENT ON LOCATION/5 DAY MINIMUM	\$525.00 /DAY	=	\$2,625.00
20 B-2 CEMENT EQUIPMENT TRAVEL, ROUND TRIP MILES	\$3.00 /MILE	=	\$60.00
4 C-1.1 WIRELINE UNIT ON LOCATION/4 DAY MINIMUM	\$250.00 /DAY	=	\$1,000.00
20 C-2 WIRELINE TRAVEL, ROUND TRIP MILES	\$3.00 /MILE	=	\$60.00
1 E-3.1 BOP RAM RENTAL 1 1/4", 1 1/2", 2-1/16, 3 1/4" FIRST 5 DAYS	\$450.00	=	\$450.00
1 E-6.1 BOP COMPANION FLANGE/FIRST 5 DAYS	\$400.00	=	\$400.00
5 E-12 BLOW DOWN TANK WITH STEEL LINES/5 DAY MINIMUM	\$125.00 /DAY	=	\$625.00
4 G-1 TANDEM RIG UP TRUCK WITH DRIVER	\$125.00 /HR	=	\$500.00
4 G-2 HELPER OR SWAMPER	\$25.00 /HR	=	\$100.00
2 G-5 NON-VACUUM TRUCK WITH DRIVER 120 BBL	\$85.00 /HR	=	\$170.00
4 G-12 TEST EXISTING ANCHORS	\$500.00	=	\$2,000.00
5 A-9 - SUBSISTENCE	\$55.00 /DAY/M	=	\$275.00
1 C-5 GAUGE RING RUN IN TUBING OR CASING	\$300.00	=	\$300.00
1 C-10.4 CIBP 5 1/2"	\$1,500.00	=	\$1,500.00

Total Daily Cost = \$12,365.00

4/8/2009 10 HRS

SAFETY MEETING - RIH AND CIRCULATE 45 SACKS TO SURFACE FROM 422' - TO WINDY TO RIG DOWN RIG DOWN - DIG OUT CELLAR - CUT OFF WELL HEAD - INSTALL DRY HOLE MARKER - CLEAN UP LOCATION - SDFD

9 A-5 - DOUBLE DERRICK RIG	\$275.00 /HR	=	\$2,475.00
1 A-1 - SUPERVISOR	\$300.00 /DAY	=	\$300.00
2 A-2 - CREW TRAVEL, ROUND TRIP TIME	\$175.00 /HR	=	\$350.00
5 A-9 - SUBSISTENCE	\$55.00 /DAY/M	=	\$275.00
4 G-7 BACKHOE SERVICES WITH OPERATOR/4 HR MINIMUM	\$50.00 /HR	=	\$200.00
4 G-10 WELDER, INCLUDING TRAVEL & EQUIPMENT/4 HR MINIMUM	\$50.00 /HR	=	\$200.00
1 G-11 P&A MARKER	\$175.00	=	\$175.00

Total Daily Cost = \$16,340.00

MAY 5 2009

INVOICE

INVOICE

Mayo Marrs Casing Pulling Inc.
Box 863- Phone 586-2844
Kermit, Texas 79745

OIL CONSERVATION DIVISION/ARTESIA DISTRICT
STATE OF NEW MEXICO
1307 W. GRAND AVE.
ARTESIA, NEW MEXICO 88201
ATTN: Sherry Bonham

DATE 4/23/2009
INV. # 09-5946-1
CONTRACT: # 80-521-00-04253

Company: NMOCD
Lease: NMOCD FOR C & D MANAGEMENT

(SEE REPORT)

BID PRICE \$31,193.98

NEW MEXICO SALES TAX EDDY COUNTY 5.63% \$1,754.66
TOTAL SALVAGE

FINAL PLUGGING COST FOR THIS WELL \$32,948.64

*OK to pay
SJB
5-5-09*

MAYO MARRS CASING PULLING INC.

Lease: NMOCD
 Project: NMOCD FOR C & D MANAGEMENT
 ATTN: Sherry Bonham

FAX 505-393-9758
 PUSHER - FRANK
 Tracking # 09-5946-1

4/6/2009 14 HRS

SAFETY MEETING SUPERVISOR LOCATE WELL - MOVE IN EQUIPMENT - WAIT FOR ANCHORS -RD WELL HEAD - RU BOP -
 RIH WITH GUAGE RING TO 425' - POH - RIH WITH CIBP TO 400' - POH - TEST CASING TO 500# - RIH TO 400' CIRCULATE 45
 SACKS OF CEMENT TO SURFACE - SDFD

12 A-5 - DOUBLE DERRICK RIG	\$275.00 /HR	=	\$3,300.00
1 A-1 - SUPERVISOR	\$300.00 /DAY	=	\$300.00
2 A-2 - CREW TRAVEL, ROUND TRIP TIME	\$175.00 /HR	=	\$350.00
5 B-1.1 CEMENTING EQUIPMENT ON LOCATION/5 DAY MINIMUM	\$525.00 /DAY	=	\$2,625.00
20 B-2 CEMENT EQUIPMENT TRAVEL, ROUND TRIP MILES	\$3.00 /MILE	=	\$60.00
4 C-1.1 WIRELINE UNIT ON LOCATION/4 DAY MINIMUM	\$250.00 /DAY	=	\$1,000.00
20 C-2 WIRELINE TRAVEL, ROUND TRIP MILES	\$3.00 /MILE	=	\$60.00
1 E-3.1 BOP RAM RENTAL 1 1/2", 1 1/2", 2-1/16, 3 1/2" FIRST 5 DAYS	\$450.00	=	\$450.00
1 E-6.1 BOP COMPANION FLANGE/FIRST 5 DAYS	\$400.00	=	\$400.00
5 E-12 BLOW DOWN TANK WITH STEEL LINES/5 DAY MINIMUM	\$125.00 /DAY	=	\$625.00
5 G-1 TANDEM RIG UP TRUCK WITH DRIVER	\$125.00 /HR	=	\$625.00
6 G-2 HELPER OR SWAMPER	\$25.00 /HR	=	\$150.00
6 G-5 NON-VACUUM TRUCK WITH DRIVER 120 BBL	\$85.00 /HR	=	\$510.00
1 G-12 TEST EXISTING ANCHORS	\$500.00	=	\$500.00
5 A-9 - SUBSISTENCE	\$55.00 /DAY/M	=	\$275.00
1 C-5 GAUGE RING RUN IN TUBING OR CASING	\$300.00	=	\$300.00
1 C-10.4 CIBP 5 1/2"	\$1,500.00	=	\$1,500.00
45 B-5 ASTM TYPE C	\$14.00	=	\$630.00

Total Daily Cost = \$13,660.00

4/7/2009 10 HRS

SAFETY MEETING - RIG DOWN - DIG OUT CELLAR - CUT OFF WELL HEAD - INSTALL DRY HOLE MARKER - CLEAN UP
 LOCATION - SDFD

4 A-5 - DOUBLE DERRICK RIG	\$275.00 /HR	=	\$1,100.00
1 A-1 - SUPERVISOR	\$300.00 /DAY	=	\$300.00
2 A-2 - CREW TRAVEL, ROUND TRIP TIME	\$175.00 /HR	=	\$350.00
5 A-9 - SUBSISTENCE	\$55.00 /DAY/M	=	\$275.00
4 G-7 BACKHOE SERVICES WITH OPERATOR/4 HR MINIMUM	\$50.00 /HR	=	\$200.00
1 G-10 WELDER, INCLUDING TRAVEL & EQUIPMENT/4 HR MINIMUM	\$50.00 /HR	=	\$50.00
1 G-11 P&A MARKER	\$175.00	=	\$175.00
1712.71 H-1 ALL ITEMS PROVIDED BY 3RD PARTY, HANDLING FEE(OK1514)	1.1	=	\$1,883.98
12000 H-1 ALL ITEMS PROVIDED BY 3RD PARTY, HANDLING FEE(dm 0142)	1.1	=	\$13,200.00

Total Daily Cost = \$31,193.98

MAY 28 2009

INVOICE

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Mayo Marrs Casing Pulling Inc.
Box 863- Phone 586-2844
Kermit, Texas 79745

OIL CONSERVATION DIVISION/HOBBS DISTRICT
STATE OF NEW MEXICO
1307 W. GRAND AVE.
ARTESIA, NEW MEXICO 88201
ATTN: Sherry Bonham

DATE 5/14/2009
INV. # 09-5951-1
CONTRACT: # 80-521-00-04253

Company: NMOCD
Lease: SAUNDERS # 12

(SEE REPORT)

BID PRICE \$36,738.23

NEW MEXICO SALES TAX EDDY COUNTY 5.63% \$2,066.53

TOTAL SALVAGE

FINAL PLUGGING COST FOR THIS WELL \$38,804.75

okay to pay
SB 5-28-09

MAYO MARRS CASING PULLING INC.

Lease: NMOCD
 Project: SAUNDERS # 12
 ATTN: Sherry Bonham

FAX 505-393-9758
 PUSHER - FRANK
 Tracking # 09-5951-1

4/14/2009 12 HRS

SAFETY MEETING SUPERVISOR LOCATE WELL - MOVE IN EQUIPMENT - RD WELL HEAD - RU BOP - RIH WITH GUAGE RING TO 1456' - SDFD

6 A-5 - DOUBLE DERRICK RIG	\$275.00 /HR	=	\$1,650.00
1 A-1 - SUPERVISOR	\$300.00 /DAY	=	\$300.00
2 A-2 - CREW TRAVEL, ROUND TRIP TIME	\$175.00 /HR	=	\$350.00
5 B-1.1 CEMENTING EQUIPMENT ON LOCATION/5 DAY MINIMUM	\$525.00 /DAY	=	\$2,625.00
20 B-2 CEMENT EQUIPMENT TRAVEL, ROUND TRIP MILES	\$3.00 /MILE	=	\$60.00
4 C-1.1 WIRELINE UNIT ON LOCATION/4 DAY MINIMUM	\$250.00 /DAY	=	\$1,000.00
20 C-2 WIRELINE TRAVEL, ROUND TRIP MILES	\$3.00 /MILE	=	\$60.00
1 E-3.1 BOP RAM RENTAL 1 1/4", 1 1/2", 2-1/16, 3 1/2" FIRST 5 DAYS	\$450.00	=	\$450.00
1 E-6.1 BOP COMPANION FLANGE/FIRST 5 DAYS	\$400.00	=	\$400.00
5 E-12 BLOW DOWN TANK WITH STEEL LINES/5 DAY MINIMUM	\$125.00 /DAY	=	\$625.00
2 G-5 NON-VACUUM TRUCK WITH DRIVER 120 BBL	\$85.00 /HR	=	\$170.00
1 G-12 TEST EXISTING ANCHORS	\$500.00	=	\$500.00
5 A-9 - SUBSISTENCE	\$55.00 /DAY/M	=	\$275.00
60 B-5 ASTM TYPE C	\$14.00	=	\$840.00
40 G-14 COST FOR FRESH WATER	\$1.00 /BBL	=	\$40.00
6 G-15 COST FOR BRINE WATER	\$1.50 /BBL	=	\$9.00

Total Daily Cost = \$9,354.00

4/15/2009 10 HRS

SAFETY MEETING - RIH WITH CIBP TO 1486' - POH - RIH - WELL WOULD NOT CIRCULATE - PUMP 50 SACKS @ 1486' - POH - WOC - RIH AND TAG @ 1386' - POH -WELL WOULD NOT CIRCULATE - PUMP 50 SACKS - POH - WOC - SDFD

9 A-5 - DOUBLE DERRICK RIG	\$275.00 /HR	=	\$2,475.00
1 A-1 - SUPERVISOR	\$300.00 /DAY	=	\$300.00
2 A-2 - CREW TRAVEL, ROUND TRIP TIME	\$175.00 /HR	=	\$350.00
5 A-9 - SUBSISTENCE	\$55.00 /DAY/M	=	\$275.00
30 B-5 ASTM TYPE C	\$14.00	=	\$420.00
25 G-14 COST FOR FRESH WATER	\$1.00 /BBL	=	\$25.00
8 G-5 NON-VACUUM TRUCK WITH DRIVER 120 BBL	\$85.00 /HR	=	\$680.00
70 G-15 COST FOR BRINE WATER	\$1.50 /BBL	=	\$105.00
20 B-7 SALT GEL, 50# BAG - FOB LOCATION	\$13.00	=	\$260.00

Total Daily Cost = \$14,244.00

4/16/2009 10 HRS

SAFETY MEETING - RIH AND TAG @ 929' - POH - RIH AND PERF @ 372' - CIRCULATE 125 SACKS TO SURFACE - ND BOP - NU WELL HEAD - CUT OFF WELLHEAD - FILL WITH 25 SACKS TO SURFACE - SDFD

10 A-5 - DOUBLE DERRICK RIG	\$275.00 /HR	=	\$2,750.00
1 A-1 - SUPERVISOR	\$300.00 /DAY	=	\$300.00
2 A-2 - CREW TRAVEL, ROUND TRIP TIME	\$175.00 /HR	=	\$350.00
8 G-5 NON-VACUUM TRUCK WITH DRIVER 120 BBL	\$85.00 /HR	=	\$680.00
5 A-9 - SUBSISTENCE	\$55.00 /DAY/M	=	\$275.00
1 C-3 PERFORATE 3 HOLES INCLUDING DEPTH CHARGE	\$500.00	=	\$500.00
150 B-5 ASTM TYPE C	\$14.00	=	\$2,100.00
60 G-14 COST FOR FRESH WATER	\$1.00 /BBL	=	\$60.00
1 D-2 PACKER RENTAL 4 1/2" OR 5 1/2" CASING	\$500.00	=	\$500.00

Total Daily Cost = \$21,759.00

4/17/2009

10.5 HRS

SAFETY MEETING - RIG DOWN - DIG OUT CELLAR - CUT OFF WELL HEAD AND ANCHORS - INSTALL DRY HOLE MARKER - CLEAN UP LOCATION - START MOVING TO STATE M # 1 - SDFD

8 A-5 - DOUBLE DERRICK RIG	\$275.00 /HR	=	\$2,200.00
1 A-1 - SUPERVISOR	\$300.00 /DAY	=	\$300.00
2 A-2 - CREW TRAVEL, ROUND TRIP TIME	\$175.00 /HR	=	\$350.00
4 G-5 NON-VACUUM TRUCK WITH DRIVER 120 BBL	\$85.00 /HR	=	\$340.00
5 A-9 - SUBSISTENCE	\$55.00 /DAY/W	=	\$275.00
4 G-7 BACKHOE SERVICES WITH OPERATOR/4 HR MINIMUM	\$50.00 /HR	=	\$200.00
4 G-10 WELDER, INCLUDING TRAVEL & EQUIPMENT/4 HR MINIMUM	\$50.00 /HR	=	\$200.00
1 G-11 P&A MARKER	\$175.00	=	\$175.00
464.75 H-1 ALL ITEMS PROVIDED BY 3RD PARTY, HANDLING FEE(OK316	1.1	=	\$511.23
9480 H-1 ALL ITEMS PROVIDED BY 3RD PARTY, HANDLING FEE(dm 01	1.1	=	\$10,428.00

Total Daily Cost = \$36,738.23

COPY

APR 27 2009

INVOICE

INVOICE

Mayo Marrs Casing Pulling Inc.
Box 863- Phone 586-2844
Kermit, Texas 79745

OIL CONSERVATION DIVISION/HOBBS DISTRICT
STATE OF NEW MEXICO
1307 W. GRAND AVE.
ARTESIA, NEW MEXICO 88201
ATTN: Sherry Bonham

DATE 4/23/2009
INV. # 09-5944-1
CONTRACT: # 80-521-00-04253

Company: NMOCD
Lease: NMOCD FOR C & D MANAGEMENT

(SEE REPORT)

BID PRICE				\$40,952.50
NEW MEXICO SALES TAX	EDDY	COUNTY	5.63%	\$2,303.58
TOTAL SALVAGE				
FINAL PLUGGING COST FOR THIS WELL				\$43,256.07

ok to pay
[Signature]
4-30-09

MAYO MARRS CASING PULLING INC.

Lease: NMOCD
 Project: NMOCD FOR C & D MANAGEMENT
 ATTN: Scherry Bonham

FAX 505-393-9758
 PUSHER - FRANK
 Tracking # 09-5944-1

3/31/2009 12 HRS

SAFETY MEETING SUPERVISOR LOCATE WELL - MOVE IN EQUIPMENT - WAIT FOR ANCHORS -RD WELL HEAD - RU BOP - POH WITH 37 JOINTS OF 2 3/8" - SDFD

10 A-5 - DOUBLE DERRICK RIG	\$275.00 /HR	=	\$2,750.00
1 A-1 - SUPERVISOR	\$300.00 /DAY	=	\$300.00
2 A-2 - CREW TRAVEL, ROUND TRIP TIME	\$175.00 /HR	=	\$350.00
5 B-1.1 CEMENTING EQUIPMENT ON LOCATION/5 DAY MINIMUM	\$525.00 /DAY	=	\$2,625.00
20 B-2 CEMENT EQUIPMENT TRAVEL, ROUND TRIP MILES	\$3.00 /MILE	=	\$60.00
4 C-1.1 WIRELINE UNIT ON LOCATION/4 DAY MINIMUM	\$250.00 /DAY	=	\$1,000.00
20 C-2 WIRELINE TRAVEL, ROUND TRIP MILES	\$3.00 /MILE	=	\$60.00
1 E-3.1 BOP RAM RENTAL 1 1/2", 1 1/2", 2-1/16, 3 1/2" FIRST 5 DAYS	\$450.00	=	\$450.00
1 E-6.1 BOP COMPANION FLANGE/FIRST 5 DAYS	\$400.00	=	\$400.00
5 E-12 BLOW DOWN TANK WITH STEEL LINES/5 DAY MINIMUM	\$125.00 /DAY	=	\$625.00
5 G-1 TANDEM RIG UP TRUCK WITH DRIVER	\$125.00 /HR	=	\$625.00
6 G-2 HELPER OR SWAMPER	\$25.00 /HR	=	\$150.00
6 G-5 NON-VACUUM TRUCK WITH DRIVER 120 BBL	\$85.00 /HR	=	\$510.00
1 G-12 TEST EXISTING ANCHORS	\$500.00	=	\$500.00
4 G-13 INSTALL 4 ANCHORS	\$275.00 /ANCHOR	=	\$1,100.00
5 A-9 - SUBSISTENCE	\$55.00 /DAY/M	=	\$275.00
-1150 L-4 TUBING 2 3/8"	\$0.20 /FT	=	(\$230.00)

Total Daily Cost = \$11,550.00

4/1/2009 10.5 HRS

SAFETY MEETING - RIH WITH GAUGE RING TO 1400' - POH - RIH WITH CIBP TO 1383' - POH - SDFD DUE TO WIND

3 A-5 - DOUBLE DERRICK RIG	\$275.00 /HR	=	\$825.00
1 A-1 - SUPERVISOR	\$300.00 /DAY	=	\$300.00
2 A-2 - CREW TRAVEL, ROUND TRIP TIME	\$175.00 /HR	=	\$350.00
5 A-9 - SUBSISTENCE	\$55.00 /DAY/M	=	\$275.00
1 C-5 GAUGE RING RUN IN TUBING OR CASING	\$300.00	=	\$300.00
1 C-10.4 CIBP 5 1/2"	\$1,500.00	=	\$1,500.00

Total Daily Cost = \$15,100.00

4/2/2009 11 HRS

SAFETY MEETING - RIH WITH TUBING - COULD NOT BREAK CIRCULATION - POH - RIH AND HUNT HOLE - FOUND HOLE FROM 252' TO 378' - POH - RIH AND SPOT 25 SACKS @ 1383' - POH - RIH AND PERF @ 563' - RIH AND PUMP 35 SACKS - POH - WOC - RIH AND TAG @ 463' - POH - RIH AND PERF @ 60' - CIRCULATE 40 SACKS TO SURFACE - SDFD

11 A-5 - DOUBLE DERRICK RIG	\$275.00 /HR	=	\$3,025.00
1 A-1 - SUPERVISOR	\$300.00 /DAY	=	\$300.00
2 A-2 - CREW TRAVEL, ROUND TRIP TIME	\$175.00 /HR	=	\$350.00
9 G-5 NON-VACUUM TRUCK WITH DRIVER 120 BBL	\$85.00 /HR	=	\$765.00
5 A-9 - SUBSISTENCE	\$55.00 /DAY/M	=	\$275.00
2 C-3 PERFORATE 3 HOLES INCLUDING DEPTH CHARGE	\$500.00	=	\$1,000.00
100 B-5 ASTM TYPE C	\$14.00	=	\$1,400.00
35 G-14 COST FOR FRESH WATER	\$1.00 /BBL	=	\$35.00
50 G-15 COST FOR BRINE WATER	\$1.50 /BBL	=	\$75.00
15 B-7 SALT GEL, 50# BAG - FOB LOCATION	\$13.00	=	\$195.00
1 D-2 PACKER RENTAL 4 1/2" OR 5 1/2" CASING	\$500.00	=	\$500.00

Total Daily Cost = \$23,020.00

4/3/2009

10.5 HRS

SAFETY MEETING - RIH AND TAG @ 40' - POH - DIG OUT WELL HEAD - CUT OFF WELL HEAD - FILL CASING IN AND OUT OF 5 1/2" TO SURFACE WITH 15 SACKS - SDFD DUE TO WIND

7 A-5 - DOUBLE DERRICK RIG	\$275.00 /HR	=	\$1,925.00
1 A-1 - SUPERVISOR	\$300.00 /DAY	=	\$300.00
2 A-2 - CREW TRAVEL, ROUND TRIP TIME	\$175.00 /HR	=	\$350.00
4 G-5 NON-VACUUM TRUCK WITH DRIVER 120 BBL	\$85.00 /HR	=	\$340.00
15 B-5 ASTM TYPE C	\$14.00	=	\$210.00
0 G-15 COST FOR BRINE WATER	\$1.25 /BBL	=	\$0.00
20 G-14 COST FOR FRESH WATER	\$0.85 /BBL	=	\$17.00
4 G-7 BACKHOE SERVICES WITH OPERATOR/4 HR MINIMUM	\$50.00 /HR	=	\$200.00
4 A-9 - SUBSISTENCE	\$55.00 /DAY/M	=	\$220.00
4 G-10 WELDER, INCLUDING TRAVEL & EQUIPMENT/4 HR MINIMUM	\$50.00 /HR	=	\$200.00
4362.32 H-1 ALL ITEMS PROVIDED BY 3RD PARTY, HANDLING FEE(OK1515)	1.1	=	\$4,798.55
119.95 H-1 ALL ITEMS PROVIDED BY 3RD PARTY, HANDLING FEE(sandpoir	1.1	=	\$131.95
8400 H-1 ALL ITEMS PROVIDED BY 3RD PARTY, HANDLING FEE(dm 0142	1.1	=	\$9,240.00

Total Daily Cost = \$40,952.50

MA 27 414

INVOICE

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Mayo Marrs Casing Pulling Inc.
Box 863- Phone 586-2844
Kermit, Texas 79745

OIL CONSERVATION DIVISION/HOBBS DISTRICT
STATE OF NEW MEXICO
1307 W. GRAND AVE.
ARTESIA, NEW MEXICO 88201
ATTN: Sherry Bonham

DATE 5/14/2009
INV. # 09-5950-1
CONTRACT: # 80-521-00-04253

Company: NMOCD
Lease: SCOTT FEDERAL # 1

(SEE REPORT)

BID PRICE				\$24,678.11
NEW MEXICO SALES TAX	EDDY	COUNTY	5.63%	\$1,388.14
TOTAL SALVAGE				
FINAL PLUGGING COST FOR THIS WELL				\$26,066.25

ok to pay
SBH
5-26-09

105

MAY 17 2009

MAYO MARRS CASING PULLING INC.

NMOCD
 Lease: NMOCD FOR C & D MANAGEMENT FAX 505-393-9758
 Project: SCOTT FEDERAL # 1 PUSHHER - FRANK
 ATTN: Sherry Bonham Tracking # 09-5950-1

4/13/2009 12 HRS
 SAFETY MEETING SUPERVISOR LOCATE WELL - MOVE IN EQUIPMENT - RD WELL HEAD - POH WITH TUBING - RU
 BOP - RIH WITH GUAGE RING TO 472' CALL PHIL AND JIM AMOS - SAID CIRCULATE CEMENT - RIH AND PUMP 60
 SACKS - DID NOT CIRCULATE - SDFD

6 A-5 - DOUBLE DERRICK RIG	\$275.00 /HR	=	\$1,650.00
1 A-1 - SUPERVISOR	\$300.00 /DAY	=	\$300.00
2 A-2 - CREW TRAVEL, ROUND TRIP TIME	\$175.00 /HR	=	\$350.00
5 B-1.1 CEMENTING EQUIPMENT ON LOCATION/5 DAY MINIMUM	\$525.00 /DAY	=	\$2,625.00
20 B-2 CEMENT EQUIPMENT TRAVEL, ROUND TRIP MILES	\$3.00 /MILE	=	\$60.00
4 C-1.1 WIRELINE UNIT ON LOCATION/4 DAY MINIMUM	\$250.00 /DAY	=	\$1,000.00
20 C-2 WIRELINE TRAVEL, ROUND TRIP MILES	\$3.00 /MILE	=	\$60.00
1 E-3.1 BOP RAM RENTAL 1 1/4", 1 1/2", 2-1/16, 3 1/2" FIRST 5 DAYS	\$450.00	=	\$450.00
1 E-6.1 BOP COMPANION FLANGE/FIRST 5 DAYS	\$400.00	=	\$400.00
5 E-12 BLOW DOWN TANK WITH STEEL LINES/5 DAY MINIMUM	\$125.00 /DAY	=	\$625.00
4 G-1 TANDEM RIG UP TRUCK WITH DRIVER	\$125.00 /HR	=	\$500.00
4 G-2 HELPER OR SWAMPER	\$25.00 /HR	=	\$100.00
2 G-5 NON-VACUUM TRUCK WITH DRIVER 120 BBL	\$85.00 /HR	=	\$170.00
1 G-12 TEST EXISTING ANCHORS	\$500.00	=	\$500.00
5 A-9 - SUBSISTENCE	\$55.00 /DAY/M	=	\$275.00
60 B-5 ASTM TYPE C	\$14.00	=	\$840.00
40 G-14 COST FOR FRESH WATER	\$1.00 /BBL	=	\$40.00
6 G-15 COST FOR BRINE WATER	\$1.50 /BBL	=	\$9.00

Total Daily Cost = \$9,954.00

4/14/2009 10 HRS
 SAFETY MEETING - RIH AND TAG @ 263' - CIRCULATE 30 SACKS TO SURFACE - RIG DOWN - DIG OUT CELLAR -
 CUT OFF WELL HEAD - INSTALL DRY HOLE MARKER - CLEAN UP LOCATION - SDFD

9 A-5 - DOUBLE DERRICK RIG	\$275.00 /HR	=	\$2,475.00
1 A-1 - SUPERVISOR	\$300.00 /DAY	=	\$300.00
2 A-2 - CREW TRAVEL, ROUND TRIP TIME	\$175.00 /HR	=	\$350.00
5 A-9 - SUBSISTENCE	\$55.00 /DAY/M	=	\$275.00
4 G-7 BACKHOE SERVICES WITH OPERATOR/4 HR MINIMUM	\$50.00 /HR	=	\$200.00
4 G-10 WELDER, INCLUDING TRAVEL & EQUIPMENT/4 HR MINIMUM	\$50.00 /HR	=	\$200.00
1 G-11 P&A MARKER	\$175.00	=	\$175.00
30 B-5 ASTM TYPE C	\$14.00	=	\$420.00
25 G-14 COST FOR FRESH WATER	\$1.00 /BBL	=	\$25.00
2091.38 H-1 ALL ITEMS PROVIDED BY 3RD PARTY, HANDLING FEE(OK314	1.1	=	\$2,300.52
7200 H-1 ALL ITEMS PROVIDED BY 3RD PARTY, HANDLING FEE(dm 04	1.1	=	\$7,920.00
75.99 H-1 ALL ITEMS PROVIDED BY 3RD PARTY, HANDLING FEE(SAND	1.1	=	\$83.59

Total Daily Cost = \$24,678.11

30-015-30764

MAY 21 2009

INVOICE

INVOICE

Mayo Marrs Casing Pulling Inc.
Box 863- Phone 586-2844
Kermit, Texas 79745

OIL CONSERVATION DIVISION/HOBBS DISTRICT
STATE OF NEW MEXICO
1307 W. GRAND AVE.
ARTESIA, NEW MEXICO 88201
ATTN: Sherry Bonham

DATE 5/14/2009
INV. # 09-5943-1
CONTRACT: # 80-521-00-04253

Company: NMOCD
Lease: RAMPANO # 6

(SEE REPORT)

BID PRICE \$64,586.09

NEW MEXICO SALES TAX EDDY COUNTY 5.63% \$3,632.97
TOTAL SALVAGE

FINAL PLUGGING COST FOR THIS WELL \$68,219.05

*ok to pay
SBH
5-26-09*

2-103

MAYO MARRS CASING PULLING INC

Lease: NMOCD
 Project: NMOCD FOR ROJO GRANDE
 ATTN: Sherry Bonham
 FAX 505-393-9758
 PUSHHER - FRANK
 Tracking # 09-5943-1

3/26/2009 12 HRS
 SAFETY MEETING SUPERVISOR LOCATE WELL - MOVE IN EQUIPMENT - WAIT FOR ANCHORS - POH WITH 20 5/8 RODS - RD WELL HEAD - RU BOP - POH WITH 17 JOINTS OF 2 3/8" - RIH AND SPOT 100 SACKS - POH - SDFD

10 A-5 - DOUBLE DERRICK RIG	\$275.00 /HR	=	\$2,750.00
1 A-1 - SUPERVISOR	\$300.00 /DAY	=	\$300.00
4 A-2 - CREW TRAVEL, ROUND TRIP TIME	\$175.00 /HR	=	\$700.00
5 B-1.1 CEMENTING EQUIPMENT ON LOCATION 5 DAY MINIMUM	\$525.00 /DAY	=	\$2,625.00
440 B-2 CEMENT EQUIPMENT TRAVEL, ROUND TRIP MILES	\$3.00 /MILE	=	\$1,320.00
4 C-1.1 WIRELINE UNIT ON LOCATION 4 DAY MINIMUM	\$250.00 /DAY	=	\$1,000.00
220 C-2 WIRELINE TRAVEL, ROUND TRIP MILES	\$3.00 /MILE	=	\$660.00
1 E-3.1 BOP RAM RENTAL 1 1/2", 1 3/4", 2-1/4", 3 1/2" FIRST 5 DAYS	\$450.00	=	\$450.00
1 E-6.1 BOP COMPANION FLANGE/FIRST 5 DAYS	\$400.00	=	\$400.00
5 E-12 BLOW DOWN TANK WITH STEEL LINES 5 DAY MINIMUM	\$125.00 /DAY	=	\$625.00
6 G-1 TANDEM RIG UP TRUCK WITH DRIVER	\$125.00 /HR	=	\$750.00
4 G-2 HELPER OR SWAMPER	\$25.00 /HR	=	\$100.00
6 G-5 NON-VACUUM TRUCK WITH DRIVER 120 BBL	\$85.00 /HR	=	\$510.00
100 B-5 ASTM TYPE C	\$14.00	=	\$1,400.00
30 G-14 COST FOR FRESH WATER	\$0.85 /BBL	=	\$25.50
1 G-12 TEST EXISTING ANCHORS	\$500.00	=	\$500.00
4 G-13 INSTALL 4 ANCHORS	\$275.00 /ANCH	=	\$1,100.00
5 A-9 - SUBSISTENCE	\$55.00 /DAY/IN	=	\$275.00
477800 K-1 - BONDING COST, ALL ITEMS PROVIDED, THIRD PARTY	5%	=	\$23,890.00
-20 L-2 RODS	\$3.00 /ROD	=	(\$6.00)
-500 L-4 TUBING 2 3/8"	\$0.20 /FT	=	(\$100.00)

Total Daily Cost = \$39,220.50

3/27/2009 10.5 HRS
 SAFETY MEETING - SDFD DUE TO WEATHER

5 A-9 - SUBSISTENCE	\$55.00 /DAY/IN	=	\$275.00
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Total Daily Cost = \$39,495.50

3/30/2009 8 HRS
 SAFETY MEETING - RIH AND TAG @ 305' - CURCULATE PLUGGING MUD - ND BOP - NU WELL HEAD - CIRCULATE 35 SACKS TO SURFACE - RIG DOWN - DIG OUT CELLAR - CUT OFF WELL HEAD - INSTALL DRY HOLE MARKER - CLEAN UP LOCATION - SDFD

8 A-5 - DOUBLE DERRICK RIG	\$275.00 /HR	=	\$2,200.00
1 A-1 - SUPERVISOR	\$300.00 /DAY	=	\$300.00
4 A-2 - CREW TRAVEL, ROUND TRIP TIME	\$175.00 /HR	=	\$700.00
6 G-5 NON-VACUUM TRUCK WITH DRIVER 120 BBL	\$85.00 /HR	=	\$510.00
5 A-9 - SUBSISTENCE	\$55.00 /DAY/IN	=	\$275.00
4 G-7 BACKHOE SERVICES WITH OPERATOR 4 HR MINIMUM	\$50.00 /HR	=	\$200.00
4 G-10 WELDER, INCLUDING TRAVEL & EQUIPMENT 4 HR MINIMUM	\$50.00 /HR	=	\$200.00
1 G-11 P&A MARKER	\$175.00	=	\$175.00
35 G-14 COST FOR FRESH WATER	\$1.00 /BBL	=	\$35.00
25 G-15 COST FOR BRINE WATER	\$1.50 /BBL	=	\$37.50
1798.26 H-1 ALL ITEMS PROVIDED BY 3RD PARTY, HANDLING FEE(OK)	1.1	=	\$1,978.09
16800 H-1 ALL ITEMS PROVIDED BY 3RD PARTY, HANDLING FEE(dm 01)	1.1	=	\$18,480.00

Total Daily Cost = \$64,586.09