

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Joanna Prukop  
Cabinet Secretary  
Reese Fullerton  
Deputy Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



March 4, 2008

Mr. Thomas Kizer, J.D.  
C & D Management Company/Freedom Ventures  
4801 Lang NE, Suite 110  
Albuquerque, NM 87109  
Email: [oilfreedom@aol.com](mailto:oilfreedom@aol.com)  
Fax (702) 413-6687

Re: C & D Management Company d/b/a Freedom Ventures Company  
OGRID No. 231382

Amoco No. 001;	L-13-17S-27E;	30-015-24738
Hastie No. 016;	4-18-17S-28E;	30-015-22371
Hastie No. 017;	3-18-17S-28E;	30-015-22852
Hastie No. 018;	N-18-17S-28E;	30-015-22848
Hastie No. 019;	2-18-17S-28E;	30-015-23186
Hastie No. 020;	1-18-17S-28E;	30-015-23516
Hastie No. 021;	C-18-17S-28E;	30-015-23821
Michael State No. 001;	H-25-17S-27E;	30-015-24877
Muncy Federal No. 001;	F-13-17S-27E;	30-015-23083
Muncy Federal No. 002;	E-13-17S-27E;	30-015-25012
Saunders No. 012;	O-13-17S-27E;	30-015-22348
Schneider No. 001;	J-24-17S-27E;	30-015-22907
Scott Federal No. 001;	P-12-17S-27E;	30-015-25437
Shearn Becky Federal No. 001;	B-14-17S-27E;	30-015-34440
Shearn Freedom Federal No. 002;	A-14-17S-27E;	30-015-34454
Shearn Samantha Federal No. 001;	G-14-17S-27E;	30-015-31059
Shearn Shilo Federal No. 001;	B-14-17S-27E;	30-015-31061

Dear Mr. Kizer:

I am responding to your letter of February 29, 2008, to Richard Inge, regarding C-115 monthly production reports for C & D Management Company d/b/a Freedom Ventures Company ("C & D").

*Case 14055 De Novo*  
**C&D Management Company**  
**dba Freedom Ventures Company**  
**OCD Exhibit 84**

Oil Conservation Division \* 1220 South St. Francis Drive  
\* Santa Fe, New Mexico 87505

\* Phone: (505) 476-3440 \* Fax (505) 476-3462\*

On December 11, 2007, the Oil Conservation Division ("OCD") filed an application for a compliance order against C & D, alleging violations of OCD Rule 19.15.4.201 NMAC ("Rule 201") and OCD Rule 19.15.13.1115 NMAC ("Rule 1115"). OCD Rule 201 requires an operator to plug and abandon or temporarily abandon a well in accordance with OCD rules within 90 days after a period of one year of continuous inactivity. An operator can also come into compliance with OCD Rule 201 by returning the well to beneficial use. OCD Rule 1115 requires operators to file monthly production reports.

According to OCD records, the above identified wells had no reported production or injection for a continuous period exceeding one year plus 90 days, and were neither plugged and abandoned in accord with OCD Rule 19.15.4.202 NMAC nor on approved temporary abandonment status in accord with OCD Rule 19.15.4.203 NMAC. As of today, the wells continue to be in violation of OCD Rule 201 and OCD Rule 1115. Enclosed is a printout of OCD's inactive well list for C & D.

OCD's application, Case No. 14055, was heard on January 10, 2008. Notice of the hearing was served upon C & D's corporate officers—Chris and Darla Jeffries—and was published in The Artesia Daily Press. Both C & D corporate officers acknowledged receiving the hearing notice.

At hearing OCD asked for an Order:

- 1) finding C & D in violation of OCD Rule 201 and OCD Rule 1115;
- 2) requiring C & D to come into compliance with OCD Rule 201 and OCD Rule 1115 by a date certain;
- 3) authorizing OCD to plug the wells and forfeit the applicable financial assurance if C & D does not comply with the Order;
- 4) requiring C & D to pay \$3,000 that is due under Agreed Compliance Order No. 171; and
- 5) assessing civil penalties against C & D for knowing and willful violations of OCD Rule 201 and OCD Rule 1115.

\* We are currently awaiting the issuance of the Order.

You have asked what is required for C & D to come into compliance. First of all, because the case has already gone to hearing, and at hearing we asked for civil penalties to be assessed against C & D for its violations of OCD rules, I do not believe that C & D's coming into compliance with OCD rules would necessarily dispose of the matter because the civil penalties are not contingent upon whether C & D files its C-115 monthly production reports or brings its wells into compliance with OCD Rule 201. If civil penalties are assessed against C & D, C & D would be required to pay them. If you would like to address the issue of civil penalties or otherwise present evidence in Case No. 14055, then promptly contact Florene Davidson at (505) 476-3458 to see about having the case re-opened. \*

Mr. Thomas Kizer

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

March 4, 2008

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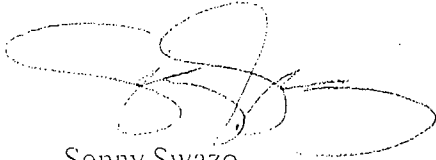
To come into compliance with OCD Rule 1115, C & D must file all due C-115 monthly production reports for the wells it operates. (C & D must stay current with its reporting by filing its C-115 monthly production reports on a regular monthly basis.) To come into compliance with OCD Rule 201, C & D must return its wells to beneficial use, plug and abandon the wells, or place the wells on OCD-approved temporary abandonment status.

C & D must also come into compliance with the financial assurance requirements of OCD Rule 19.15.3.101 NMAC ("Rule 101"). (Enclosed is a printout of the OCD's Inactive Well Additional Financial Assurance Report for C & D.) To come into compliance with Rule 101, C & D needs to post the appropriate additional financial assurance for its non-complaint well(s). Please contact Dorothy Phillips at (505) 476-3461 to discuss this matter further.

Finally, C & D must pay the \$3,000 civil penalty that is due under Agreed Compliance Order No. 171.

If you have any questions please contact me at (505) 476-3463 or [sonny.swazo@state.nm.us](mailto:sonny.swazo@state.nm.us).

Sincerely,

A handwritten signature in black ink, appearing to read 'Sonny Swazo', with a large, stylized flourish at the end.

Sonny Swazo

Assistant General Counsel, OCD

Ec: Daniel Sanchez, Enforcement & Compliance Manager  
Tim Gum, Artesia District Office Supervisor  
Richard Inge, Artesia District Office Compliance Officer

## 231382 C&amp;D MANAGEMENT COMPANY DBA FREEDOM VENTURES

Total Well Count: 17

Printed On: Monday, March 03 2008

Property	Well Name	Lease Type	UIC#	OCU Unit Letter	API	Well Type	Last Prod/Inj	Inactive Additional Bond Due	Measured Depth	Required Bond Amount	Bond Required Rev	Bond In Place	In Violation
301406	AROCO #001	F	0-13-175-27E	L	30-015-24738	O	03/2006		Unknown			0	
301407	HASTIE #016	F	4-18-175-28E	H	30-015-22371	O	03/2006		Unknown			0	
	HASTIE #017	F	3-18-175-28E	L	30-015-22852	G	03/2006		Unknown			0	
	HASTIE #018	F	0-18-175-28E	H	30-015-22848	G	03/2006		Unknown			0	
	HASTIE #019	F	2-18-175-28E	I	30-015-23186	G	03/2006		Unknown			0	
	HASTIE #020	F	1-18-175-28E	D	30-015-23516	G	03/2006		Unknown			0	
	HASTIE #021	F	0-18-175-28E	C	30-015-23821	G	03/2006		Unknown			0	
302900	MICHAEL STATE #001	S	B-25-175-27E	H	30-015-24877	G	04/2005	05/01/2007	2638	7638	Y	7638	
301408	MURCY FEDERAL #001	F	F-13-175-27E	F	30-015-23083	O	12/2000		2355			0	
	MURCY FEDERAL #002	F	E-13-175-27E	E	30-015-25012	O	12/2003		Unknown			0	
301409	SAUNDERS #012	F	0-13-175-27E	O	30-015-22348	G	02/2002		1843			0	
301410	SCHNEIDER #001	S	J-24-175-27E	J	30-015-22907	O	11/2001	12/01/2003	1725	6725	Y	0	Y
301528	SCOTT FEDERAL #001	F	P-12-175-27E	P	30-015-25437	O	12/2003		Unknown			0	
35256	SHEARN BECKY FEDERAL #001	F	B-14-175-27E	B	30-015-34440	O			Unknown			0	
35277	SHEARN FREEDOM FEDERAL #002	F	A-14-175-27E	A	30-015-34454	O			Unknown			0	
301404	SHEARN SAMANTHA FEDERAL #001	F	G-14-175-27E	G	30-015-31059	O			Unknown			0	
301405	SHEARN SHILO FEDERAL #001	F	B-14-175-27E	B	30-015-31061	O			Unknown			0	

WHERE Cgid:231382

Total Well Count: 17 Inactive Well Count: 13 Since: 12/9/2006

Printed On: Monday, March 03 2008

District	API	Well	BLSTR	OCU Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
2	30-015-22850	ABERDEEN #001	A-18-17S-28E	I	231382	C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES	F	G	01/2006			
2	30-015-22851	HASTIE #016	A-18-17S-28E	I	231382	C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES	F	G	03/2006			
2	30-015-22852	HASTIE #017	B-18-17S-28E	L	231382	C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES	F	G	03/2006			
2	30-015-22853	HASTIE #018	D-18-17S-28E	H	231382	C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES	F	G	03/2006			
2	30-015-23186	HASTIE #019	E-18-17S-28E	F	231382	C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES	F	G	03/2006			
2	30-015-23516	HASTIE #020	F-18-17S-28E	D	231382	C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES	F	G	03/2006			
2	30-015-23871	HASTIE #021	G-18-17S-28E	C	231382	C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES	F	G	03/2006			
2	30-015-24877	MICHAEL STATE #001	H-25-17S-27E	H	231382	C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES	S	G	04/2005			
2	30-015-23083	HUNCY FEDERAL #001	F-13-17S-27E	F	231382	C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES	F	O	12/2006			
2	30-015-25012	HUNCY FEDERAL #002	E-13-17S-27E	F	231382	C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES	F	O	12/2003			
2	30-015-22348	SAUNDERS #012	O-13-17S-27E	O	231382	C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES	F	G	02/2002		T	1/6/2005
2	30-015-22907	SCHNEIDER #001	J-24-17S-27E	J	231382	C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES	S	O	11/2001		T	11/13/2006
2	30-015-25437	SCOTT FEDERAL #001	P-12-17S-27E	P	231382	C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES	F	O	12/2003			

WHERE Ogrid:231382, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

**Duran-Saenz, Theresa, EMNRD**

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**From:** Duran-Saenz, Theresa, EMNRD  
**Sent:** Tuesday, March 04, 2008 8:44 AM  
**To:** 'oilfreedom@aol.com'  
**Cc:** Sanchez, Daniel J., EMNRD; (tim.gum@state.nm.us); Inge, Richard, EMNRD  
(richard.inge@state.nm.us)  
**Subject:** C & D Management Company/Freedom Ventures  
**Attachments:** 2008 3-4 Response Letter to C&D's 2.29.08 ltr.doc



2008 3-4  
onse Letter to C

The message is ready to be sent with the following file or link attachments:

2008 3-4 Response Letter to C&D's 2.29.08 ltr

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

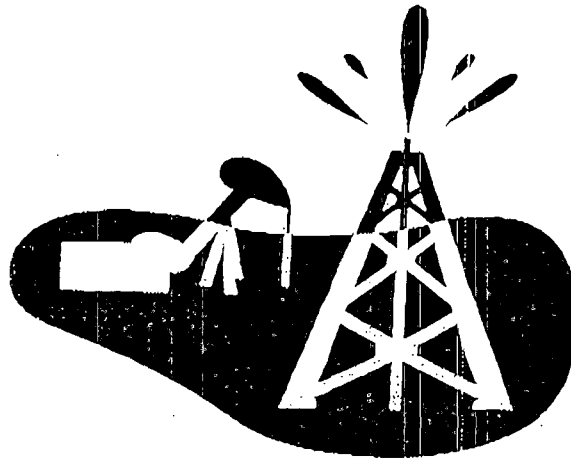
# TRANSACTION REPORT

P. 01

MAR-04-2008 TUE 08:49 AM

FOR:

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
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			TOTAL :	3M 37S	PAGES:	6		



TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION  
1220 S. ST. FRANCIS DRIVE  
SANTA FE, NM 87505  
(505) 476-3440  
(505) 476-3462 (Fax)

PLEASE DELIVER THIS FAX:

(702) 413-6687

TO:

*Thomas Kizer, J.D.*

FROM:

*Sonny Swaze / Hds*