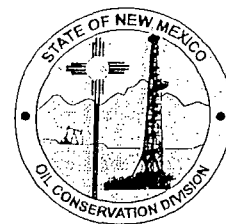


# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Joanna Prukop  
Cabinet Secretary  
Reese Fullerton  
Deputy Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



Dec. 30, 2008

**231382 - C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES**  
**4801 Lang NE Suite 110**  
**Albuquerque, NM 87109**

Rule 1115 of the Oil Conservation Division requires that C-115s (Monthly Production Reports) be filed electronically on or before the 15<sup>th</sup> day of the second month following the month of production. As of today, we have not received your electronically submitted C-115 for September, 2008.

You are being notified that the OCD intends to revoke your authorization to transport from or inject into all wells your company operates if an acceptable and complete C-115 is not received electronically within 120 days of the original due date. You may choose to request a hearing on this proposed cancellation within 120 days of the original due date.

Please call Karen Allison at 505/476-3453 to discuss this matter.

Rule 1115 follows:

**19.15.13.1115 OPERATOR'S MONTHLY REPORT (Form C-115):**

**A.** The operator shall file a 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 within the state of New Mexico, setting forth complete information and data indicated on said forms in the order, format and style the division director prescribes. The operator shall estimate oil production from wells producing into common storage as accurately as possible on the basis of periodic tests.

**B.** The operator shall file the reports required to be filed by 19.15.13.1115 NMAC using the division's web-based online application on or before the 15th day of the second month following the month of production, or if such day falls on a weekend or holiday, the first workday following the 15th. Any operator may apply to the division for exemption from the electronic filing requirement based upon a demonstration that such requirement would operate as an economic or other hardship.

**C.** If an operator fails to file a form C-115 that the division accepts, the division shall, within 60 days of the appropriate filing date, notify the operator by electronic mail or letter of its intent to revoke the operator's authorization to transport or inject if the operator does not submit an acceptable and complete form C-115. If the operator does not file an acceptable and complete form C-115 or request a hearing on the proposed cancellation within 120 days of the original due date of the form C-115, the division may cancel the operator's authority to transport from or inject into all wells it operates.

incerely,

Kimberly Romero

*Case 14055 De Novo*  
**C&D Management Company**  
**dba Freedom Ventures Company**  
**OCD Exhibit 85**

