

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 13870 (De Novo)
Order No. R-12754-D

APPLICATION OF QUEST CHEROKEE, LLC
FOR APPROVAL OF AN APPLICATION FOR
PERMIT TO DRILL, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 13, 2008, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 16th day of April, 2008, the Commission, a quorum being present, having considered the record and being fully advised in the premises,

FINDS THAT:

(1) In the original application in this case, Quest Cherokee, LLC ("Applicant") sought approval of its Application for Permit to Drill (APD) for its West Bishop State Well No. 1 (API No. 30-025-38503) at a standard location 990 feet from the North line and 2310 feet from the West line (Unit C) of Section 9, Township 18 South, Range 38 East, Lea County, New Mexico. This location is in a semi-developed, suburban area in close proximity to the City of Hobbs, New Mexico.

(2) The Division held a hearing on the application on February 15, 2007, at which Intervenor appeared and opposed approval of Applicant's APD.

(3) On May 3, 2007, the Division issued Order No. R-12754, denying Intervenor's objections to the granting of the proposed APD, but directing the Hobbs District Office to review environmental issues involved with this proposed well, and to place appropriate protective conditions upon its approval of the APD.

(4) On October 10, 2007, Intervenor filed a Motion for an Emergency Order Suspending Approval to Drill, alleging, *inter alia*, that the proposed location is less than 1500 feet from several water wells.

(5) On October 11, 2007, the Division Director, after reviewing the files and records of the Division concerning this matter and considering the representations and arguments of counsel for Intervenor and for Applicant, issued Order No. R-12754-A, in effect for 15 days as an emergency order, denying Intervenor's request that the Division suspend approval of the APD but imposing certain monitoring and sampling conditions on Applicant. Order No. R-12754-A constituted an amendment of, and a condition upon the Division's approval of, the APD for the West Bishop State Well No. 1 (API No. 30-025-38503) during the time said order remained in effect.

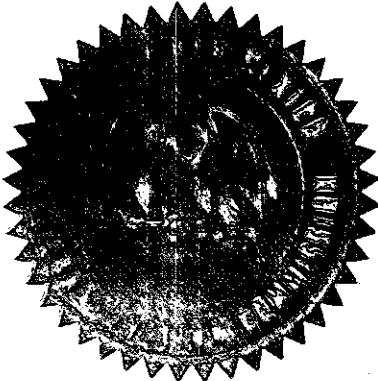
(6) On October 19, 2007, Intervenor filed a request for hearing on this matter before the Commission. The hearing was set for October 31, 2007, and after several requests for continuance, came on for hearing on March 13, 2008.

(7) The Commission upon hearing testimony for the parties finds that the Intervenor should have first filed a motion before the Division for enforcement of Order No. R-12754.

IT IS THEREFORE ORDERED THAT:

- (1) This case is dismissed without prejudice.
- (2) Intervenor is advised that they may file a motion with the Division for enforcement of Order No. R-12754.
- (3) The Commission retains jurisdiction of this matter for entry of such further orders as may be necessary.


DONE at Santa Fe, New Mexico, on this 16th day of April, 2008.

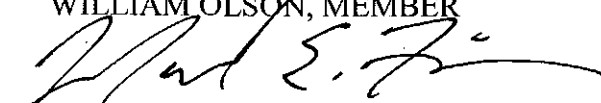


SEAL

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JAMI BAILEY, CPG, MEMBER


WILLIAM OLSON, MEMBER


MARK E. FESMIRE, P.E., CHAIR