

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

IN RE CFM OIL, LLC

CASE NO. ACOI-201946

STIPULATED FINAL ORDER

Pursuant to the New Mexico Oil and Gas Act ("Act"), NMSA 1978, Section 70-2-1, *et seq.*, and 19.15.5.10(C) NMAC, the Director of the Oil Conservation Division ("OCD") and CFM Oil, LLC, OGRID #280554 ("CFM") enter into this Stipulated Final Order ("Order") to resolve the above-referenced matter.

1. OCD is charged with the administration and enforcement of the Act and the implementing rules, and has jurisdiction to regulate CFM's wells in the state of New Mexico.
2. CFM is the operator of record for the wells identified in Exhibit A.
3. On March 25, 2021, OCD issued a Notice of Violation ("NOV") to CFM alleging:
 - (a) CFM exceeded the number of inactive wells allowed by 19.15.5.9(A)(4)(b) NMAC;
 - (b) CFM failed to provide financial assurance in the required amount required by 19.15.8.9(C) NMAC; and
 - (c) CFM failed to provide financial assurance in the required amount required by 19.15.8.9(D) NMAC.
4. OCD subsequently identified additional inactive wells, which CFM agreed to address as part of this Order.
5. On April 23, 2021, CFM requested informal resolution of the NOV.
6. CFM admitted the alleged violations.
7. CFM resolved the alleged violation of 19.15.8.9(C) NMAC by providing the

required financial assurance.

8. To resolve the remaining alleged violations, CFM agrees that:

(a) No later than the specified date, unless extended upon request of CFM for good cause shown, CFM shall return to production each well identified in the column "Return to Production By" in Exhibit A and give OCD and SLO written notice by electronic mail.

(b) No later than the specified date, unless extended upon request of CFM for good cause shown, CFM shall submit to OCD Permitting an approvable C-103Q for each well identified in the column "P&A and Release By" in Exhibit A, which shall be reviewed in accordance with OCD's rules and for which approval shall not be unreasonably withheld, and give OCD and SLO written notice by electronic mail.

9. Written notice required by paragraph 8 shall be given to OCD at the following electronic mail address: Rob.Jackson@state.nm.us, and to SLO at the following electronic mail address: ABiernoff@slo.state.nm.us.

10. If CFM complies with this Stipulated Final Order, OCD shall abate all of the civil penalties.

11. If CFM fails to complete an action specified in paragraph 8, then CFM shall pay a stipulated penalty of \$100.00 for each day until it completes the action.

12. If CFM fails to pay the stipulated penalty or portion thereof no later than 30 days after service of OCD's written demand, it shall pay interest on the stipulated penalty or unpaid portion thereof until paid in full at the interest rate of 8.75 percent as provided in NMSA 1978, § 56-8-4(A).

13. OCD reserves the right to revoke the authorization to transport and require a well to be plugged and abandoned if CFM fails to complete an action specified in paragraph 8 more

than 90 days after the specified date in Exhibit A or, for the Maljamar wells, after the date as extended by OCD for good cause shown.

14. CFM admit OCD's jurisdiction to file the NOV, consent to the relief specified herein, and waive the right of review by the Oil Conservation Commission.

15. The persons executing this Order represent that they have the requisite authority to bind their respective parties and such representation shall be legally sufficient evidence of their actual or apparent authority.

OIL CONSERVATION DIVISION

Adrienne Sandoval
Director

Date: _____

CFM OIL, LLC

Louis F. Fulton

Date: _____

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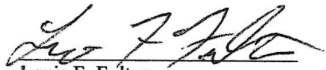
OIL CONSERVATION DIVISION



Adrienne Sandoval
Director

Date: 1/27/2022

CFM OIL, LLC


Louis F. Fulton

Date: 1/27/2022

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EXHIBIT A		
API	WELL	RETURN TO PRODUCTION BY: PLUG & ABANDON BY:
RED LAKE		
30-015-21823	GILLESPIE STATE #002	10/31/2022
30-015-21903	GILLESPIE STATE #003	10/31/2022
30-015-21928	GILLESPIE STATE #004	10/31/2022
30-015-01588	GILLESPIE STATE #005	10/31/2022
30-015-22393	GILLESPIE STATE #006	10/31/2022
30-015-22497	GILLESPIE STATE #007	10/31/2022
30-015-22498	GILLESPIE STATE #008	10/31/2022
30-015-22550	GILLESPIE STATE #009	10/31/2022
30-015-22580	GILLESPIE STATE #011	10/31/2022
30-015-22616	GILLESPIE STATE #012	12/31/2022
30-015-22762	GILLESPIE STATE #013	12/31/2022
30-015-22860	GILLESPIE STATE #014	12/31/2022
30-015-01589	GILLESPIE STATE #015	12/31/2022
30-015-01587	GILLESPIE STATE #016	12/31/2022
30-015-24064	SRC STATE #001	12/31/2022
30-015-23138	STATE B 1111 #008	3/31/2021
30-015-23139	STATE B 1111 #009	3/31/2021
30-015-23231	STATE B 1111 #010	3/31/2021
30-015-23140	STATE B 1111 #011	3/31/2021
30-015-23452	STATE B 1111 #013	3/31/2021
30-015-23455	STATE B 1111 #016	3/31/2021
30-015-23569	STATE B 1111 #018	3/31/2022
30-015-23570	STATE B 1111 #019	3/31/2022
30-015-23571	STATE B 1111 #020	3/31/2022
30-015-23572	STATE B 1111 #021	3/31/2021
30-015-23474	STATE B 1111 #022	3/31/2022
30-015-22813	STATE B 1969 #010	3/31/2022
30-015-22827	STATE B 1969 #011	3/31/2022

30-015-22828	STATE B 1969 #012		3/31/2022	
30-015-22829	STATE B 1969 #013		3/31/2022	
30-015-23141	STATE B 1969 #014		3/31/2022	
30-015-23142	STATE B 1969 #015		3/31/2022	
30-015-23232	STATE B 1969 #016		7/31/2022	
30-015-23143	STATE B 1969 #017		7/31/2022	
30-015-23244	STATE B 1969 #018		7/31/2022	
30-015-23395	STATE B 1969 #019Y		7/31/2022	
30-015-23246	STATE B 1969 #020		7/31/2022	
30-015-23573	STATE B 1969 #020Z	7/31/2022		
30-015-23475	STATE B 1969 #023	7/31/2022		
30-015-23476	STATE B 1969 #024	7/31/2022		
30-015-23477	STATE B 1969 #025	7/31/2022		
30-015-23478	STATE B 1969 #026	7/31/2022		
30-015-22166	WOLF #001	7/31/2022		
30-015-22362	WOLF #002	7/31/2022		
30-015-23082	WOLF #003	10/31/2022		
30-015-23310	WOLF #004	10/31/2022		
DAYTON				
30-015-00243	KINDLE #002		12/31/2022	
30-015-22410	KINDLE #003		12/31/2022	
30-015-00318	WILLIAMS #003	12/31/2022		
BARNSVILLE DRAW				
30-015-03959	DEKALB FEDERAL #002	12/31/2022		
30-015-03953	DEKALB FEDERAL #004	12/31/2022		
30-015-03954	ETZ FEDERAL #001	12/31/2022		
30-015-03956	ETZ FEDERAL #002	12/31/2022		
30-015-03955	ETZ FEDERAL #003	3/31/2023		
30-015-03957	ETZ FEDERAL #004	3/31/2023		
30-015-03958	FEDERAL E #001	3/31/2023		
30-015-03951	FEDERAL E #002	3/31/2023		
30-015-03960	FEDERAL E #003	3/31/2023		

30-015-02821	LEONARD #002	3/31/2023	
30-015-02865	STATE B #001	3/31/2023	
POTASH MINES			
30-015-04548	GATES FEDERAL #004	3/31/2023	
30-015-23050	GATES FEDERAL #005	3/31/2023	
30-015-27070	SPIKE FEDERAL #001	3/31/2023	
MILLIMAN			
30-015-02281	FRYMAN STATE #001	3/31/2023	
30-015-24159	FRYMAN STATE #002	3/31/2023	
30-015-23359	GULF STATE #001	3/31/2023	
30-015-23366	GULF STATE #003	3/31/2023	
ROSWELL			
30-005-62761	VALLEY B ST #001	3/31/2023*	
30-005-62250	YATES BROWN ST #001	3/31/2023*	
MALJAMAR			
30-025-01584	CONOCO FEDERAL #001	3/31/2023	
30-025-01585	CONOCO FEDERAL #002	3/31/2023	
* OCD may extend this date for good cause shown, including a showing that the surface owner will not allow access to the wellsite.			

[illegible]