

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

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE
ORDER AGAINST GFG OPERATING LLC, FOR A WELL OPERATED IN
EDDY COUNTY, NEW MEXICO.**

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CASE NO. 16070

APPLICATION

The Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator GFG Operating LLC (“Operator”) is out of compliance with 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.25.8 NMAC within forty-five (45) days; and (3) in the event of non-compliance, declaring the well abandoned and authorizing the OCD to plug the violating well in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification and costs as permitted by NMSA 1978, § 70-2-14(E). This application deals specifically with Operator’s violations of 19.15.25.8 NMAC and does not include all violations that may exist. The OCD retains its right to bring a compliance action for any other existing and future violations. In support of this application, the Bureau states:

1. Operator is a New Mexico limited liability company that operates 1 well in Eddy, New Mexico, under OGRID No. 371169:

- a. Toomey Allen #001, API No. 30-015-02094
2. Operator's address of record with OCD is: 4937 Rustic Trail, Midland, TX 79707.
3. The New Mexico Secretary of State has Operator registered under entity number 5144701.
4. Operator has one blanket bond filed with the OCD, bond no. 1088755, from Lexon Insurance Company, for the amount of \$50,000.
5. Operator has additionally furnished the OCD with 1 single well bonds on file with the OCD from Lexon Insurance Company for a total amount of \$7,078 for the following Toomey Allen #001, well.
6. Lexon Insurance Company's address of record is: 12890 Lebanon Road, Mt. Juliet, TN 37122.
7. 19.15.25.8 NMAC requires an operator to plug and abandon or temporarily abandon a well within 90 days after: (1) a 60 day period following the suspension of drilling operations; (2) a determination that a well is no longer usable for beneficial purposes; or (3) a period of one year in which a well has been continuously inactive.
8. The Operator currently has 1 well out of a total of 1 well out of compliance with 19.15.25.8 NMAC.

WHEREFORE, the Bureau, by and through its compliance and enforcement manager, hereby applies to the Director to enter an Order:

- A. determining that the Operator is in violation of 19.15.25.8 NMAC;

- B. requiring the Operator to return the subject wells to compliance with and 19.15.25.8 NMAC within forty-five (45) days;
- C. in the event of non-compliance with the sought Division order by the dates established by the OCD, finding the Operator in violation of a Division order, declaring the violating wells abandoned and authorizing the Division to plug the subject wells in accordance with a Division-approved plugging program and restore and remediate the location, and recover costs from the Operator's financial assurance as required by 19.15.8.13 NMAC and seek indemnification and costs as permitted by NMSA 1978, § 70-2-14(E);
- D. for such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,
this 6th day of March, 2018 by



Keith W. Herrmann
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Attorney for the Compliance and
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Case No. 16070. **Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against GFG Operating LLC, for Wells Operated in Eddy County, New Mexico.** The Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator GFG Operating LLC, (“Operator”) is out of compliance with 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance 19.15.25.8 NMAC within 45 days; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).