

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

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE SUPERVISOR OF DISTRICT I, FOR AN ORDER REQUIRING
OPERATORS TO BRING ONE HUNDRED FORTY-SEVEN (147) WELLS INTO
COMPLIANCE WITH RULE 201.B, AND ASSESSING APPROPRIATE CIVIL
PENALTIES; LEA, ROOSEVELT AND CHAVES COUNTIES, NEW MEXICO**

CASE NO. 12758

**AMENDMENT TO APPLICATION FOR COMPLIANCE ORDER AND CIVIL
PENALTIES**

1. On October 9, 2001, the Division filed its Application in this case to require the operators of 147 inactive wells to bring those wells into compliance with Division Rule 201 either by restoring those wells to production or injection (as applicable), causing the wells to be plugged and abandoned or securing approval for temporary abandonment thereof.

2. One of the operators named as a respondent in the original application in this case was Hal J. Rasmussen Operating Inc., which was named as the operator of thirty (30) wells, therein identified, which were not in compliance with rule 201.

3. At the hearing on November 1, 2001, this case as to Respondent, Hal J. Rasmussen Operating Inc., was continued to the Division hearing docket scheduled for February 7, 2002.

4. In addition to the wells identified in the original application, Hal J. Rasmussen, Inc. is also the operator of the San Simon Well No. 1 (API No. 30-025-

28495), a permitted salt water disposal well, which had not been used for salt water disposal or other beneficial use for more than one year next preceding August 30, 2000.

5. On August 30, 2000, and again on August 20, 2001, representatives of the District Office for District I of the Division notified Hal J. Rasmussen, Inc. of the non-compliant status of its San Simon Well No. 1, as well as of other wells described in the original application filed herein. However, no action has been taken to bring said San Simon No. 1 well into compliance.

6. As a result of the failure, for a continuous period of more than one year, to use the said San Simon Well No. 1 well for injection, the authority to inject salt water into said well for disposal has terminated pursuant to Division Rule 705.C(1).

WHEREFORE, the Supervisor of District I of the Division hereby applies to the Director to enter an order:

A. Specifically ordering Hal J. Rasmussen, Inc. to bring its San Simon Well No. 1, in addition to its other wells described in the original Application in this case, into compliance with OCD rules within a specified time fixed in said order by taking one of the following actions with respect to each of such wells:

- (i) causing such well to be plugged and abandoned in accordance with Division rules.
- (ii) obtaining a renewal of injection authority for such well and restoring such well to use as a salt water disposal well or other Division-approved beneficial use,

- (iii) applying to the Division for permission to place such well in "temporary abandonment" status pursuant to Division Rule 203, or
- (iv) truly and accurately reporting to the Division any production from or injection into said well which has, in fact, occurred and not been reported to the Division.

B. Assessing an appropriate civil penalty against Hal J. Rasmussen Operating, Inc., in addition to any penalties assessed against it pursuant to the prayer in the original application, for failure to take action to remedy the non-compliance of the San Simon Well No. 1 after notice and demand from the Division to do so; such penalty to be not less than \$1,000.

RESPECTFULLY SUBMITTED,



David K. Brooks
Assistant General Counsel
Energy, Minerals and Natural
Resources Department of the State of
New Mexico
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505)-476-3450
Attorney for The New Mexico Oil
Conservation Division