

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

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APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER FOR A
COMPLIANCE ORDER AGAINST CHARLES SEED, HEIRS, AND ASSIGNS
OF LEASE NO. SEED, SECTION 30 FINDING THAT THE OPERATOR IS IN
VIOLATION OF 19.15.25.8 NMAC AS TO NINE WELLS, REQUIRING
OPERATOR TO BRING SAID WELLS INTO COMPLIANCE WITH 19.15.25.8
NMAC BY A DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE,
DECLARING THE WELLS ABANDONED AND AUTHORIZING THE
DIVISION TO PLUG THE WELLS IN LEA COUNTY, NEW MEXICO.

CASE NO. _____

Exhibit 1 - Affidavit of Maxey Brown

STATE OF NEW MEXICO)

COUNTY OF SANTA FE)

I, Maxey, being first duly sworn on oath, states as follows:

1. I am employed as the Compliance Officer at the Hobbs, New Mexico office of the Oil Conservation Division ("OCD").
2. My duties include maintaining records of oil and gas production and injection on wells located in New Mexico.
3. The OCD's information on production and injection comes from monthly production reports filed by the well operators.
4. In 1993 the OCD began using the ONGARD (Oil and Natural Gas Administration and Revenue Database) to record oil and gas production and injection by well. Since 1993, production and injection data from the monthly production reports filed by operators has been entered into ONGARD.
5. When the OCD began using the ONGARD system in 1993, it converted existing production and injection data into ONGARD for those wells that were not shown as "plugged" according to the OCD records available at that time. The pre-1993 production and injection information for each such well was totaled and appears in ONGARD under the last month of production or injection for that well.

6. Upon information and belief, Charles Seed ("Operator") is the sole proprietor and is operating the following wells ("subject wells") in Lea County, New Mexico, section, township and range K-30-18S-38E, under state oil and gas lease no. State 30:

- API No. 30-025-22994
- API No. 30-025-22995
- API No. 30-025-22996
- API No. 30-025-22997
- API No. 30-025-22998
- API No. 30-025-22319
- API No. 30-025-22320
- API No. 30-025-22321
- API No. 30-025-22322

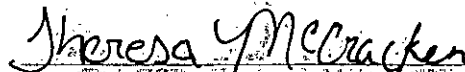
7. Upon information and belief, Operator's wells in New Mexico were granted under one lease, State Lease 30. Operator has not posted financial assurances to secure its obligation to plug and abandon the wells.

8. Upon information and belief, the subject wells operated by Operator in New Mexico have been inactive for a continuous period exceeding one year plus 90 days, and are neither plugged and abandoned in accord with Division Rules 19.15.25.9 to -11 NMAC nor on approved temporary abandonment status in accord with Division Rule 19.15.25.12 NMAC.

9. Upon information and belief, the ONGARD records for production and injection information regarding nine wells show no production or injection records for these wells.


Maxey Brown

SUBSCRIBED AND SWORN before me this 15th day of April, 2014.


Notary Public

My Commission Expires:

8/1/2014



A,