

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, BY AND THROUGH ITS ATTORNEY FOR A COMPLIANCE ORDER AGAINST LARRY MARKER DBA MARKER OIL, DIRECTORS, AND OFFICERS, JOINTLY AND SEVERALLY, FINDING THAT THE OPERATOR IS IN VIOLATION OF N.M.S.A. §70-2-14 AND OCD RULES 19.15.8.9 AND 19.15.7.24 NMAC, REQUIRING SANCTIONS AS PROVIDED BY OCD RULE 19.15.5.10 UNTIL COMPLIANCE WITH ALL DIVISION RULES IS ACHIEVED BY A DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE, TO ASSESS ADDITIONAL SANCTIONS.

CASE NO. 15254

APPLICATION FOR COMPLIANCE ORDER
LARRY MARKER DBA MARKER OIL

1. Larry Marker DBA Marker Oil Operating Inc., (“Marker Oil” or “Operator”) is a sole proprietor of 17 wells in New Mexico, under OGRID No. 290537.
See Exhibit 1: Well List.
2. Larry Marker DBA Marker Oil has no financial assurance on file with the division in violation of N.M.S.A. §70-2-14 and Oil Conservation Division (“OCD” or “Division”) Rule 19.15.8.9 NMAC.
3. OCD Records identify Larry Marker as the owner of Marker Oil.
4. The following wells operated by Marker Oil require financial assurance to be furnished to the OCD:

- Casa State #001, API No. 30-025-27944
- Casa State #002, API No. 30-025-28115
- Joannie #001, API No. 30-025-21947
- Joannie #003, API No. 30-025-24718
- Joannie #004, API No. 30-025-24548
- Kersey State #001, API No. 30-015-05178
- Kersey State #003, API No. 30-015-26086
- Rose #002, API No. 30-025-28772

5. Division Rule 19.15.7.24 NMAC requires an operator to report oil production using the division's web-based online application on or before the fifteenth day of the second month following the month of production.

6. Operator's last production reported was for the month of August, 2014. No reports since have been submitted in violation of Division Rule 19.15.7.24 NMAC.

WHEREFORE, Keith Herrmann, Assistant General Counsel of the Division, hereby applies to the Director to enter an Order:

- A. Determining that Operator requires financial assurance pursuant to N.M.S.A. §70-2-14 and OCD Rules 19.15.8.9 and 19.15.7.24 NMAC;
- B. Requiring Operator to furnish a financial assurance acceptable to the division in the form of an irrevocable letter of credit or cash or surety bond running to the state of New Mexico conditioned that the well be plugged and abandoned and the location restored and remediated in compliance with division rules as required by Division Rule 19.15.8.9 NMAC.
- C. If Operator fails to furnish Division Approved Financial Assurance by the date of hearing, that the following wells be shut in until acceptable financial assurance is furnished to the OCD:
 - Casa State #001, API No. 30-025-27944
 - Casa State #002, API No. 30-025-28115
 - Joannie #001, API No. 30-025-21947
 - Joannie #003, API No. 30-025-24718
 - Joannie #004, API No. 30-025-24548
 - Kersey State #001, API No. 30-015-05178
 - Kersey State #003, API No. 30-015-26086
 - Rose #002, API No. 30-025-28772;
- D. If Operator fails to furnish Division Approved Financial Assurance within 30 days of the issuance of a Division order, that the remaining wells

operated by Marker Oil be shut in until acceptable financial assurance is furnished to the OCD. (See *Exhibit 1* for complete list of wells operated by Marker Oil);

- E. If operator fails to report oil production as required by Division Rule 19.15.7.24 NMAC, that the OCD cancel Operator's authority to transport from or inject into all wells it operates per Division Rule 19.15.7.24(C) NMAC;
- F. For such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,
this 9th day of December, 2014
by



Keith W. Herrmann
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Energy, Minerals and Natural
Resources Department of the State of
New Mexico
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Conservation Division

Exhibit 1: Well List

Wells

Criteria: OperatorSearchClause=OgrId, OGRID_Cde=290537, WellSearchClause=BeginsWith, WellNumberSearchClause=BeginsWith, PoolSearchClause=BeginsWith, section=00, CancelledAPDs=Exclude, PluggedWells=Exclude
 Records Returned: 17

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API	Well	Type	Lease	Status	Location (ULSTR)	OCD Unit Letter	Last Production	Spud Date	Plugged On	Current Operator
30-025-27944	CASA STATE #001	Oil	State	Active	H-28-17S-34E	H	8/2014	09/28/1982		[290537] LARRY MARKER DBA MARKER OIL
30-025-28115	CASA STATE #002	Oil	State	Active	I-28-17S-34E	I	8/2014	02/08/1983		[290537] LARRY MARKER DBA MARKER OIL
30-005-20528	FEDERAL 9 #001	Oil	Federal	Active	B-09-14S-30E	B	8/2014	02/15/1976		[290537] LARRY MARKER DBA MARKER OIL
30-005-20727	HOLBROOK B FEDERAL #001	Oil	Federal	Active	M-09-15S-30E	M	8/2014	04/02/1980		[290537] LARRY MARKER DBA MARKER OIL
30-005-20742	HOLBROOK B FEDERAL #002	Oil	Federal	Active	L-09-15S-30E	L	8/2014	07/26/1980		[290537] LARRY MARKER DBA MARKER OIL
30-025-21947	JOANNIE #001	Oil	State	Active	C-08-18S-34E	C	8/2014	12/19/1966		[290537] LARRY MARKER DBA MARKER OIL
30-025-24718	JOANNIE #003	Oil	State	Active	E-08-18S-34E	E	8/2014			[290537] LARRY MARKER DBA MARKER OIL
30-025-24548	JOANNIE #004	Oil	State	Active	D-08-18S-34E	D	8/2014			[290537] LARRY MARKER DBA MARKER OIL
30-015-05178	KERSEY STATE #001	Oil	State	Active	B-16-17S-31E	B	8/2014			[290537] LARRY MARKER DBA MARKER OIL
30-015-26086	KERSEY STATE #003	Oil	State	Active	D-16-17S-31E	D	8/2014			[290537] LARRY MARKER DBA MARKER OIL
30-015-25692	PHILLIPS FEDERAL #001	Oil	Federal	Active	O-07-17S-29E	O	8/2014			[290537] LARRY MARKER DBA MARKER OIL
30-025-28772	ROSE #002	Oil	State	Active	N-05-18S-34E	N	8/2014	08/20/1984		[290537] LARRY MARKER DBA MARKER OIL
30-015-29976	SHINNERY FEDERAL #001	Oil	Federal	Active	F-05-18S-31E	F	8/2014	12/17/1997		[290537] LARRY MARKER DBA MARKER OIL
30-005-20836	VEST FEDERAL #001	Gas	Federal	Active	O-04-14S-30E	O	8/2014			[290537] LARRY MARKER DBA MARKER OIL
30-005-21016	WALTERS B FEDERAL #001	Oil	Federal	Active	E-34-13S-30E	E	8/2014	06/16/1985		[290537] LARRY MARKER DBA MARKER OIL
30-005-21051	WALTERS B FEDERAL #002	Oil	Federal	Active	D-34-13S-30E	D	8/2014	01/13/1986		[290537] LARRY MARKER DBA MARKER OIL
30-005-20462	WALTERS FEDERAL #002	Gas	Federal	Active	L-34-13S-30E	L	8/2014			[290537] LARRY MARKER DBA MARKER OIL

Case No. 15254. Application of the New Mexico Oil Conservation Division, by and through its attorney for a Compliance Order against Larry Marker DBA Marker Oil, directors, and officers, jointly and severally, finding that the operator is in violation of N.M.S.A. §70-2-14 and OCD Rules 19.15.8.9 and 19.15.7.24 NMAC, requiring sanctions as provided by OCD Rule 19.15.5.10 until compliance with all division rules is achieved by a date certain, and in the event of non-compliance, to assess additional sanctions.