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

2015 NAR 10 P 3: 14

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 15186 ORDER NO. R-13894

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR A COMPLIANCE ORDER AGAINST DESERT ROSE RESORT LLC DBA KOA KAMPGROUND, FINDING THAT THE OPERATOR IS IN VIOLATION OF DIVISION RULE 19.15.16.11 NMAC AS TO ONE WELL, REQUIRING OPERATOR TO BRING SAID WELL INTO COMPLIANCE WITH 19.15.16.11 NMAC BY A DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE, DECLARING THE WELL ABANDONED AND AUTHORIZING THE DIVISION TO PLUG THE WELL IN SAN JUAN COUNTY, NEW MEXICO.

MOTION TO AMEND OCD ORDER NO. R-13894 TO CORRECT SERVICE AND NOTICE TO WELLS FARGO BANK, NATIONAL ASSOCIATION, SUCCESSOR IN INTEREST TO WELLS FARGO BANK NEW MEXICO, NATIONAL ASSOCIATION, OF INTENT TO CALL FINANCIAL ASSURANCE

Comes Now, Keith Herrmann, Attorney for the Compliance and Enforcement Bureau, hereby moves for the Oil Conservation Division ("OCD") to allow service to be made on Wells Fargo Bank, NA ("Wells Fargo") and to amend OCD Order R-13894 to correct financial assurance information, and in support of such motion states as follows:

- 1. The OCD initially served Wells Fargo notice of OCD Case No. 15186 at its Farmington, New Mexico branch located at: 100 E Broadway, Farmington, NM 87401. See OCD Exhibit A.
- 2. OCD should have served Wells Fargo at its corporate headquarters located at: 101 N. Phillips Avenue, Sioux Falls, SD 57104.
- 3. OCD incorrectly identified Desert Rose Resort LLC DBA KOA Kampground's ("Desert Rose") financial assurance in the form of a "\$5,000 cash bond, Wells Fargo Farmington Bond No. OCD-726, to secure its obligation to plug and abandon the well."
- 4. Desert Rose's financial assurance should correctly read as a \$5,000 assignment of cash collateral held by Wells Fargo Bank, NA, successor to Wells Fargo Bank New Mexico, NA, account number 687854968.
- 5. OCD has plugged the subject well and has incurred costs of seventy two thousand four hundred fifty six dollars and no cents (\$72,456.00).
- 6. By properly serving Wells Fargo of OCD's intent to call the financial assurance, OCD seeks to ensure Wells Fargo is properly made a party to this case as required by rule.

7. Wells Fargo is not required to make an appearance or otherwise take action in this proceeding.

Relief Requested

Now, therefore, the Compliance and Enforcement Bureau respectfully requests the following:

- a) The OCD's Compliance and Enforcement Bureau requests that it be allowed to serve Wells Fargo, within 3 business days of a copy of an order granting this motion, a copy of the Bureau's original application, and this motion, at its South Dakota address set forth in paragraph 2 hereof and provide proof of service to OCD.
- b) If said motion is granted that Wells Fargo have 45 days to respond with any objections to the Compliance and Enforcement Bureau's original application and this motion.
- c) If no objection is filed with the OCD Clerk within the time allotted in paragraph b hereof, that OCD Order No. 13894 be amended to show the correct financial assurance information and to reflect that due notice was given and supplemented by this order.

RESPECTFULLY SUBMITTED, this day of March, 2015 by

Keith W. Herrmann

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) 476-3463

Fax: (505) 476-3462

Attorney for The New Mexico Oil Conservation Division Compliance and Enforcement Bureau

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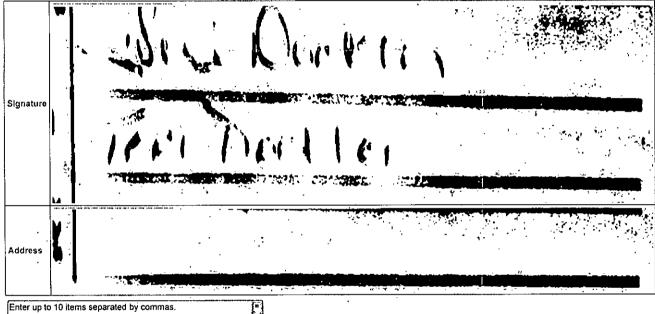
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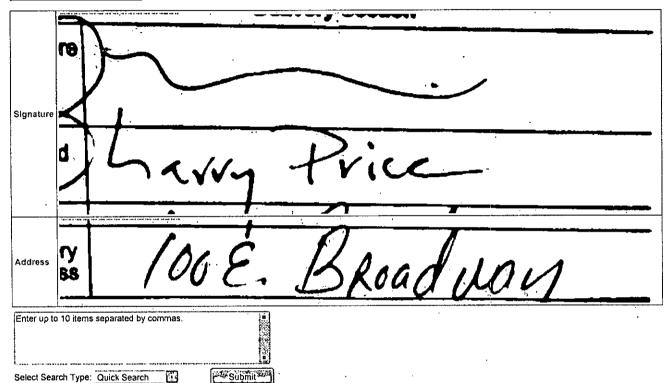
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