

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
("OCD") COMPLIANCE AND ENFORCEMENT MANAGER FOR A
COMPLIANCE ORDER AGAINST DOMINION PRODUCTION COMPANY,
LLC, FINDING THAT THE OPERATOR IS IN VIOLATION OF AGREED
COMPLIANCE ORDER 285 AND THE OIL AND GAS ACT, NMSA 1978,
SECTIONS 70-2-1 et seq. AND OCD RULES, NMAC 19.15.2 et seq., REQUIRING
OPERATOR TO RETURN TO COMPLIANCE WITH DIVISION RULES BY A
DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE, REQUEST
FOR ADDITIONAL SANCTIONS.

2011/11/23
RECEIVED OCD
CASE NO. 15379

OCD'S APPLICATION FOR COMPLIANCE ORDER
AGAINST DOMINION PRODUCTION COMPANY, LLC

1. Dominion Production Company, LLC, ("Operator") is the operator of record of 165 wells in McKinley County, New Mexico, under OGRID No. 291567.
2. Operator's address of record is: 1414 W. Swann Ave., Suite 100, Tampa FL 33606.
3. The New Mexico Secretary of State has Operator registered under corporation number 4541596. It identifies David Burns and W. Andrew Krusen Jr. as the officers of record.
4. Operator has one blanket letter of credit filed with the OCD, letter of credit no. 26943-SA, from Frost Bank, for the amount of \$50,000.
5. Frost Bank's address of record is: 123 East Marcy Street, Suite 101, Santa Fe, NM 87501.
6. Operator has additionally furnished the division with 32 single well bonds no other financial assurance on file with the division from West Texas National Bank.
7. West Texas National Bank's address of record is: 6 Desta Drive, Suite 2400, Midland, TX 79705.

8. West Texas National Bank's address for service of process is: C/O Brandi Troyer, PO Box 52310, Midland, TX 79710.

Inactive Well and Financial Assurance Violations

9. Division Rule 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 activities, (2) a determination that a well is no longer usable for a beneficial purpose, or (3) a period of one year of continuous inactivity.

10. Division Rule 19.15.5.9 (A)(4) NMAC (Compliance) states that an operator is compliant with Division Rule 19.15.5.9 if no more than the following number of wells it operates are compliant with Division Rule 19.15.25.8 NMAC (Wells to be Properly Abandoned): two wells or 50 percent of the wells the operator operates, whichever is less, if the operator operates 100 wells or less; five wells if the operator operates between 101 and 500 wells; seven wells if the operator operates between 501 and 1000 wells; and 10 wells if the operator operates more than 1000 wells.

11. Operator currently has 72 wells out of a total of 165 wells out of compliance with Division Rule 19.15.25.8 NMAC, exceeding the amount allowed under Division Rule 19.15.5.9 (A)(4) NMAC. See *Exhibit 1: Inactive Well List*.

12. Division Rule 19.15.8.9 NMAC requires that an operator to cover a well that has been in temporary abandonment status for more than two years with a one-well financial assurance.

13. Operator currently has 38 wells that require additional bonding in violation of Division Rule 19.15.8.9 NMAC. See *Exhibit 2: Inactive Well Additional Financial Assurance Report*.

14. Division Rule 19.15.8.13 NMAC authorizes the Director to order the Operator to plug and abandon any well not in compliance with 19.15.25.8 NMAC and restore and remediate the location by a date certain.

15. NMSA 1978, Sections 70-2-12 and 70-2-38 authorize the Division to plug and abandon wells, and restore and remediate the location of abandoned wells.

Violations of Agreed Compliance Order 285

16. On January 21, 2015, Operator entered into Agreed Compliance Order (“ACO”) 285 to resolve outstanding compliance issues. See *Exhibit 3: ACO 285*.

17. ACO 285 Order paragraph 2, required Operator to plug and abandon nine (9) wells by March 1, 2015.

18. Operator partially complied with Order paragraph 2 by plugging four (4) wells. The remainder of this condition remains unfulfilled.

19. ACO 285 Order paragraph 5 required Operator perform remedial work and mechanical integrity tests (“MIT’s”) on two (2) wells by January 15, 2015.

20. Operator partially complied with Order paragraph 5 by performing the required tasks on one (1) well. The remainder of this condition remains unfulfilled.

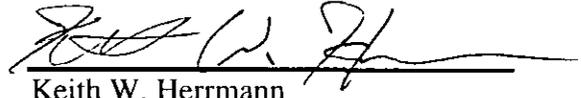
21. ACO 285 Order paragraph 6, required MIT’s to be performed on three (3) wells by January 31, 2015.

22. Operator has not performed any of the MIT’s required in Order paragraph 6.

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

- A. Determining that Operator's wells are not in compliance with Division Rule 19.15.25.8 NMAC and requiring Operator to plug and abandon the violating wells by a date certain;
- B. Determining that Operator is out of compliance with ACO 285;
- C. Determining that Operator is out of compliance with Division Rule 19.15.5.9 NMAC;
- D. Determining that operator is out of compliance with Division Rule 19.15.8.9 NMAC and requiring Operator to furnish the required financial assurance for the non-compliant wells by a date certain;
- E. If the violating wells are not brought into compliance with 19.15.25.8 NMAC by the date set in the Order, finding the operator in violation of a division order, declaring the well abandoned and authorizing the Division to plug the subject well 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;
- F. For such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,
this 18th day of August, 2015 by



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Resources Department of the State of
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Conservation Division

Case No. 15379. Application of the New Mexico Oil Conservation Division ("OCD") Compliance and Enforcement Manager for a compliance order against Dominion Production Operating, LLC, finding that the operator is in violation of Agreed Compliance Order 285, and the Oil and Gas Act, NMSA 1978, Sections 70-2-1 *et seq.* and OCD rules, NMAC 19.15.2 *et seq.*, requiring operator to return to compliance with division rules by a date certain, and in the event of non-compliance, request for additional sanctions.

Exhibit 1: Inactive Well List

Inactive Well List

Total Well Count: 165 Inactive Well Count: 72
Printed On: Tuesday, August 18 2015

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
3	30-031-20338	HOSPFAH SAND UNIT #001Y	2-1-17N-09W	A	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	07/2009	HOSPFAH UPPER SAND		
3	30-031-05185	HOSPFAH SAND UNIT #002	L-1-17N-09W	L	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	12/2012			
3	30-031-05158	HOSPFAH SAND UNIT #005	C-1-17N-09W	C	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	07/2013	RTP 10-15-11		
3	30-031-05176	HOSPFAH SAND UNIT #009	J-1-17N-09W	J	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	01/2010			
3	30-031-05189	HOSPFAH SAND UNIT #012	3-1-17N-09W	B	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	02/2010	HOSPFAH UPPER SAND		
3	30-031-05207	HOSPFAH SAND UNIT #015	N-36-18N-09W	N	291567	DOMINION PRODUCTION COMPANY, LLC	S	O	08/2011			
3	30-031-05211	HOSPFAH SAND UNIT #016	N-36-18N-09W	N	291567	DOMINION PRODUCTION COMPANY, LLC	S	O	02/2010			
3	30-031-05213	HOSPFAH SAND UNIT #017	N-36-18N-09W	N	291567	DOMINION PRODUCTION COMPANY, LLC	S	O	08/2011			
3	30-031-05203	HOSPFAH SAND UNIT #019	O-36-18N-09W	O	291567	DOMINION PRODUCTION COMPANY, LLC	S	O	08/2011	HOSPFAH UPPER SAND		
3	30-031-05195	HOSPFAH SAND UNIT #022	2-1-17N-09W	A	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	12/2009	HOSPFAH UPPER SAND		
3	30-031-05192	HOSPFAH SAND UNIT #023	5-1-17N-09W	D	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	08/2011	HOSPFAH UPPER SAND		
3	30-031-05186	HOSPFAH SAND UNIT #024	G-1-17N-09W	G	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	08/2011			
3	30-031-05214	HOSPFAH SAND UNIT #027	P-36-18N-09W	P	291567	DOMINION PRODUCTION COMPANY, LLC	S	O	08/2011	HOSPFAH UPPER SAND		
3	30-031-05225	HOSPFAH SAND UNIT #029	G-36-18N-09W	G	291567	DOMINION PRODUCTION COMPANY, LLC	S	O	08/2011	HOSPFAH UPPER SAND		
3	30-031-05224	HOSPFAH SAND UNIT #032	I-36-18N-09W	I	291567	DOMINION PRODUCTION COMPANY, LLC	S	O	08/2011	HOSPFAH UPPER SAND		
3	30-031-05223	HOSPFAH SAND UNIT #034	J-36-18N-09W	J	291567	DOMINION PRODUCTION COMPANY, LLC	S	O	08/2011			
3	30-031-05222	HOSPFAH SAND UNIT #035	K-36-18N-09W	K	291567	DOMINION PRODUCTION COMPANY, LLC	S	O	08/2011	HOSPFAH UPPER SAND		
3	30-031-05217	HOSPFAH SAND UNIT #036	J-36-18N-09W	J	291567	DOMINION PRODUCTION COMPANY, LLC	S	O	07/2012			
3	30-031-05219	HOSPFAH SAND UNIT #037	I-36-18N-09W	I	291567	DOMINION PRODUCTION COMPANY, LLC	S	O	07/2009	HOSPFAH UPPER SAND		
3	30-031-05171	HOSPFAH SAND UNIT #039	K-1-17N-09W	K	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	07/2004	HOSPFAH UPPER SAND		
3	30-031-05201	HOSPFAH SAND UNIT #050	P-36-18N-09W	P	291567	DOMINION PRODUCTION COMPANY, LLC	S	O	02/2012			
3	30-031-05194	HOSPFAH SAND UNIT #051	3-1-17N-09W	B	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	11/2004			
3	30-031-05182	HOSPFAH SAND UNIT #052	G-1-17N-09W	G	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	01/2014	RTP 11-14-11		
3	30-031-05220	HOSPFAH SAND UNIT #054	3-31-18N-08W	L	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	12/2012	HOSPFAH UPPER SAND		
3	30-031-05594	HOSPFAH SAND	G-1-17N-09W	G	291567	DOMINION	P	O	02/2012	HOSPFAH UPPER		

	UNIT #055				PRODUCTION COMPANY, LLC				SAND/ RET TO PROD 7-12-10	
3	30-031-20115	HOSPAH SAND UNIT #058	O-36-18N-09W	O	291567	DOMINION PRODUCTION COMPANY, LLC	P	I	12/2005	
3	30-031-05193	HOSPAH SAND UNIT #089	3-1-17N-09W	B	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	09/2013	
3	30-031-20608	HOSPAH SAND UNIT #095	3-1-17N-09W	B	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	08/2011	HOSPAH UPR SND
3	30-031-20717	HOSPAH SAND UNIT #096	K-36-18N-09W	K	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	07/2012	
3	30-031-20831	HOSPAH SAND UNIT #100	H-36-18N-09W	H	291567	DOMINION PRODUCTION COMPANY, LLC	S	I	11/2009	INT TO P&A/OCD 3-11-14
3	30-031-20183	LONE PINE DAKOTA D UNIT #012	B-13-17N-09W	B	291567	DOMINION PRODUCTION COMPANY, LLC	P	G	12/1992	LONE PINE DAK D
3	30-031-20174	LONE PINE DAKOTA D UNIT #014	3-13-17N-09W	H	291567	DOMINION PRODUCTION COMPANY, LLC	P	I	12/1992	T 7/23/2007
3	30-031-20201	LONE PINE DAKOTA D UNIT #023	K-13-17N-09W	K	291567	DOMINION PRODUCTION COMPANY, LLC	P	G	06/2005	LONE PINE DAK D
3	30-031-20086	SANTA FE #016	C-7-17N-08W	C	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	08/2011	
3	30-031-20102	SANTA FE #017	F-7-17N-08W	F	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	08/2011	HOSPAH DAKOTA
3	30-031-20341	SANTA FE #029	B-7-17N-08W	B	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	08/2011	HOSPAH DAKOTA
3	30-031-20185	SANTA FE PACIFIC RAILROAD #002	L-13-17N-09W	L	291567	DOMINION PRODUCTION COMPANY, LLC	P	G	06/2009	LONE PINE DAKOTA A T 7/29/2007
3	30-031-20181	SANTA FE PACIFIC RAILROAD #008	D-24-17N-09W	D	291567	DOMINION PRODUCTION COMPANY, LLC	P	G	12/2010	LONE PINE DAKOTA A T 7/26/2007
3	30-031-20182	SANTA FE PACIFIC RAILROAD #009	F-13-17N-09W	F	291567	DOMINION PRODUCTION COMPANY, LLC	P	G	06/2005	
3	30-031-05141	SANTA FE RAILROAD #007	2-7-17N-08W	E	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	03/2014	S HOSPAH LOWER SAND
3	30-031-05531	SANTA FE RAILROAD #009	F-7-17N-08W	F	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	08/2011	S HOSPAH UPPER SAND
3	30-031-20038	SANTA FE RAILROAD #013	1-7-17N-08W	D	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	08/2011	S HOSPAH LOWER SAND
3	30-031-20037	SANTA FE RAILROAD #014	1-7-17N-08W	D	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	08/2011	S HOSPAH LOWER SAND
3	30-031-20036	SANTA FE RAILROAD #015	2-7-17N-08W	E	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	08/2011	S HOSPAH LOWER SAND
3	30-031-20138	SANTA FE RAILROAD #018	1-7-17N-08W	D	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	08/2011	S HOSPAH UPPER SAND
3	30-031-20451	SANTA FE RAILROAD #040	2-7-17N-08W	E	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	08/2012	S HOSPAH LOWER SAND/RTP 11-18-11
3	30-031-20594	SANTA FE RAILROAD #041	1-7-17N-08W	D	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	08/2011	S HOSPAH LOWER SAND
3	30-031-20836	SANTA FE RAILROAD #047	1-7-17N-08W	D	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	08/2011	S HOSPAH LOWER SAND
3	30-031-20837	SANTA FE RAILROAD #048	2-7-17N-08W	E	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	08/2011	S HOSPAH LOWER SAND
3	30-031-20854	SANTA FE RAILROAD #050	2-7-17N-08W	E	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	08/2011	S HOSPAH LOWER SAND
3	30-031-05570	SANTA FE RAILROAD A #072	11-1-17N-09W	P	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	06/2013	
3	30-031-20019	SANTA FE RAILROAD A #073	O-1-17N-09W	O	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	09/2013	
3	30-031-20021	SANTA FE	9-1-17N-09W	I	291567	DOMINION	P	O	07/2009	

		RAILROAD A #074				PRODUCTION COMPANY, LLC						
3	30-031-20072	SANTA FE RAILROAD A #075	10-1 -17N-09W	P	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	12/2013			
3	30-031-20413	SANTA FE RAILROAD A #087	10-1 -17N-09W	P	291567	DOMINION PRODUCTION COMPANY, LLC	P	I	03/2005	NOI TO P&A/OCD 06-19-15		
3	30-031-20442	SANTA FE RAILROAD A #089	O-1 -17N-09W	O	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	11/2013			
3	30-031-20441	SANTA FE RAILROAD A #090	10-1 -17N-09W	P	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	05/2012	RTP 11-18-11		
3	30-031-20855	SANTA FE RAILROAD A #097	O-1 -17N-09W	O	291567	DOMINION PRODUCTION COMPANY, LLC	P	I	03/2005	NOI TO P&A/OCD 6-19-15		
3	30-031-20303	SANTA FE RR B #032	M-5 -17N-08W	M	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	04/1980		T	3/25/2007
3	30-031-20369	SANTA FE RR B #033	L-5 -17N-08W	L	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	12/2010	HOSPAPH UPPER SAND, SOUTH	T	3/26/2008
3	30-031-20390	SANTA FE RR B #034	M-5 -17N-08W	M	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	06/2009	S HOSPAPH UPR SAND		
3	30-031-20391	SANTA FE RR B #035	E-5 -17N-08W	E	291567	DOMINION PRODUCTION COMPANY, LLC	P	I	03/2014	RET TO INJ 11-4-11		
3	30-031-20416	SANTA FE RR B #036	L-5 -17N-08W	L	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	12/2010	SOUTH HOSPAPH UPPER SAND	T	3/25/2008
3	30-031-20415	SANTA FE RR B #037	M-5 -17N-08W	M	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	12/2010	HOSPAPH UPPER SAND, SOUTH	T	3/26/2008
3	30-031-20749	SANTA FE RR B #039	M-5 -17N-08W	M	291567	DOMINION PRODUCTION COMPANY, LLC	P	I	02/2012	S HOSPAPH SAND/NEED MIT BEFORE TA		
3	30-031-05146	SOUTH HOSPAPH UNIT #005	B-12-17N-09W	B	291567	DOMINION PRODUCTION COMPANY, LLC	F	O	05/2005	S HOSPAPH UPPER SND/RTP FR INJ 2013		
3	30-031-20118	SOUTH HOSPAPH UNIT #036	B-12-17N-09W	B	291567	DOMINION PRODUCTION COMPANY, LLC	F	I	10/2005	S HOSPAPH LOWER SAND		
3	30-031-20152	SOUTH HOSPAPH UNIT #039	3-12-17N-09W	H	291567	DOMINION PRODUCTION COMPANY, LLC	F	I	10/2005	S HOSPAPH LOWER SAND		
3	30-031-20242	SOUTH HOSPAPH UNIT #051	E-12-17N-09W	E	291567	DOMINION PRODUCTION COMPANY, LLC	F	I	11/2011	S HOSPAPH UPPER SND		
3	30-031-20243	SOUTH HOSPAPH UNIT #052	C-12-17N-09W	C	291567	DOMINION PRODUCTION COMPANY, LLC	F	I	05/2005	NOI TO P&A/BLM 6-9-15		
3	30-031-20411	SOUTH HOSPAPH UNIT #060	3-12-17N-09W	H	291567	DOMINION PRODUCTION COMPANY, LLC	F	I	10/2005	NOI TO P&A/BLM 6-9-15		
3	30-031-20129	WHIGHAM #003	H-11-17N-09W	H	291567	DOMINION PRODUCTION COMPANY, LLC	P	O	06/2013	HOSPAPH DK		

WHERE Ogrid:291567, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

Exhibit 2: Inactive Well Additional Financial Assurance Report

Inactive Well Additional Financial Assurance Report

291567 DOMINION PRODUCTION COMPANY, LLC

Total Well Count: 165

Printed On: Tuesday, August 18 2015

Property	Well Name	Lease Type	ULSTR	OCD Unit Letter	API	Well Type	Last Prod/Inj	Inactive Additional Bond Due	Measured Depth	Required Bond Amount	Bond Required Now	Covered By Blanket TA Bond	Bond In Place	In Violation
311752	HANSON #026	N	D-8 -17N-08W	D	30-031-20419	O	04/2015		1654				0	
311753	HOSPAPH SAND UNIT #001Y	P	2-1 -17N-09W	A	30-031-20338	O	07/2009	08/01/2011	1613	6613	Y		6613	
	HOSPAPH SAND UNIT #002	P	L-1 -17N-09W	L	30-031-05185	O	12/2012	01/01/2015	3282	8282	Y		8282	
	HOSPAPH SAND UNIT #003	S	N-36-18N-09W	N	30-031-05205	O	05/2014	06/01/2016	1631	6631			6631	
	HOSPAPH SAND UNIT #004Y	P	4-1 -17N-09W	C	30-031-20339	O	01/2015	02/01/2017	1581	6581			0	
	HOSPAPH SAND UNIT #005	P	C-1 -17N-09W	C	30-031-05158	O	07/2013	08/01/2015	1675	6675	Y		0	Y
	HOSPAPH SAND UNIT #006	P	4-1 -17N-09W	C	30-031-05190	O	04/2015	05/01/2017	1590	6590			0	
	HOSPAPH SAND UNIT #007	S	N-36-18N-09W	N	30-031-05204	O	04/2015	05/01/2017	1615	6615			0	
	HOSPAPH SAND UNIT #009	P	J-1 -17N-09W	J	30-031-05176	O	01/2010	02/01/2012	1570	6570	Y		6570	
	HOSPAPH SAND UNIT #010	S	N-36-18N-09W	N	30-031-05208	O	04/2015	05/01/2017	1665	6665			0	
	HOSPAPH SAND UNIT #011Y	P	F-1 -17N-09W	F	30-031-20340	O	01/2015	02/01/2017	1563	6563			0	
	HOSPAPH SAND UNIT #012	P	3-1 -17N-09W	B	30-031-05189	O	02/2010	03/01/2012	1610	6610	Y		6610	
	HOSPAPH SAND UNIT #013	P	F-1 -17N-09W	F	30-031-05178	O	04/2015	05/01/2017	1561	6561			0	
	HOSPAPH SAND UNIT #015	S	N-36-18N-09W	N	30-031-05207	O	08/2011	09/01/2013	1677	6677	Y		0	Y
	HOSPAPH SAND UNIT #016	S	N-36-18N-09W	N	30-031-05211	O	02/2010	03/01/2012	1663	6663	Y		6663	
	HOSPAPH SAND UNIT #017	S	N-36-18N-09W	N	30-031-05213	O	08/2011	09/01/2013	1689	6689	Y		0	Y
	HOSPAPH SAND UNIT #019	S	O-36-18N-09W	O	30-031-05203	O	08/2011	09/01/2013	1600	6600	Y		0	Y
	HOSPAPH SAND UNIT #020	P	5-1 -17N-09W	D	30-031-05198	O	04/2015	05/01/2017	1587	6587			0	
	HOSPAPH SAND UNIT #021	P	F-1 -17N-09W	F	30-031-05184	O	04/2015	05/01/2017	1570	6570			0	
	HOSPAPH SAND UNIT #022	P	2-1 -17N-09W	A	30-031-05195	O	12/2009	01/01/2012	1596	6596	Y		6596	
	HOSPAPH SAND UNIT #023	P	5-1 -17N-09W	D	30-031-05192	O	08/2011	09/01/2013	1570	6570	Y		0	Y
	HOSPAPH SAND UNIT #024	P	G-1 -17N-09W	G	30-031-05186	O	08/2011	09/01/2013	1552	6552	Y		0	Y
	HOSPAPH SAND UNIT #025	S	O-36-18N-09W	O	30-031-05212	O	04/2015	05/01/2017	1646	6646			0	
	HOSPAPH SAND UNIT #027	S	P-36-18N-09W	P	30-031-05214	O	08/2011	09/01/2013	1630	6630	Y		0	Y
	HOSPAPH SAND UNIT #028	S	J-36-18N-09W	J	30-031-05216	O	04/2015	05/01/2017	1733	6733			0	
	HOSPAPH SAND UNIT #029	S	G-36-18N-09W	G	30-031-05225	O	08/2011	09/01/2013	1792	6792	Y		0	Y
	HOSPAPH SAND UNIT #032	S	I-36-18N-09W	I	30-031-05224	O	08/2011	09/01/2013	1783	6783	Y		0	Y
	HOSPAPH SAND UNIT #034	S	J-36-18N-09W	J	30-031-05223	O	08/2011	09/01/2013	1769	6769	Y		0	Y
	HOSPAPH SAND UNIT #035	S	K-36-18N-09W	K	30-031-05222	O	08/2011	09/01/2013	1724	6724	Y		0	Y
	HOSPAPH SAND UNIT #036	S	J-36-18N-09W	J	30-031-05217	O	07/2012	08/01/2014	1704	6704	Y		0	Y
	HOSPAPH SAND UNIT #037	S	I-36-18N-09W	I	30-031-05219	O	07/2009	08/01/2011	1730	6730	Y		6730	
	HOSPAPH SAND UNIT #038	P	F-1 -17N-09W	F	30-031-05179	O	04/2015	05/01/2017	1665	6665			0	
	HOSPAPH SAND UNIT #039	P	K-1 -17N-09W	K	30-031-05171	O	07/2004	08/01/2006	1557	6557	Y		6557	
	HOSPAPH SAND UNIT #048Y	S	O-36-18N-09W	O	30-031-20269	O	01/2015	02/01/2017	1625	6625			0	
	HOSPAPH SAND UNIT #050	S	P-36-18N-09W	P	30-031-05201	O	02/2012	03/01/2014	1614	6614	Y		0	Y
	HOSPAPH SAND UNIT #051	P	3-1 -17N-09W	B	30-031-05194	O	11/2004	12/01/2006	1550	6550	Y		6550	
	HOSPAPH SAND UNIT #052	P	G-1 -17N-09W	G	30-031-05182	O	01/2014	02/01/2016	1529	6529			0	
	HOSPAPH SAND UNIT #053	S	O-36-18N-09W	O	30-031-60022	O	04/2015	05/01/2017	3105	8105			0	
	HOSPAPH SAND UNIT #054	P	3-31-18N-08W	L	30-031-05220	O	12/2012	01/01/2015	1720	6720	Y		0	Y
	HOSPAPH SAND UNIT #055	P	G-1 -17N-09W	G	30-031-05594	O	02/2012	03/01/2014	455	5455	Y		0	Y
	HOSPAPH SAND UNIT #056	P	G-1 -17N-09W	G	30-031-20104	O	04/2015	05/01/2017	2730	7730			0	
	HOSPAPH SAND UNIT #058	P	O-36-18N-09W	O	30-031-20115	I	12/2005	01/01/2008	1631	6631	Y		6631	
	HOSPAPH SAND UNIT #059	P	J-36-18N-09W	J	30-031-20116	O	04/2015	05/01/2017	1744	6744			6744	
	HOSPAPH SAND UNIT #060	P	L-1 -17N-09W	L	30-031-07024	I	04/2015	05/01/2017	1640	6640			0	
	HOSPAPH SAND UNIT #085	P	G-1 -17N-09W	G	30-031-20371	O	04/2015	05/01/2017	1580	6580			0	
	HOSPAPH SAND UNIT #088	P	O-36-18N-09W	O	30-031-20596	O	04/2015	05/01/2017	1720	6720			0	
	HOSPAPH SAND UNIT #089	P	3-1 -17N-09W	B	30-031-05193	O	09/2013	10/01/2015	7850	12850			0	
	HOSPAPH SAND UNIT #094	P	K-1 -17N-09W	K	30-031-20609	I	04/2015	05/01/2017	1635	6635			0	
	HOSPAPH SAND UNIT #095	P	3-1 -17N-09W	B	30-031-20608	O	08/2011	09/01/2013	1650	6650	Y		0	Y
	HOSPAPH SAND UNIT #096	P	K-36-18N-09W	K	30-031-20717	O	07/2012	08/01/2014	1790	6790	Y		0	Y
	HOSPAPH SAND UNIT #098	P	2-1 -17N-09W	A	30-031-20798	O	04/2015	05/01/2017	1602	6602			0	
	HOSPAPH SAND UNIT #100	S	H-36-18N-09W	H	30-031-20831	I	11/2009	12/01/2011	1835	6835	Y		6835	
	HOSPAPH SAND UNIT #102	S	I-36-18N-09W	I	30-031-20833	O	04/2015	05/01/2017	1695	6695			0	
	HOSPAPH SAND UNIT #105	P	N-36-18N-09W	N	30-031-20944	O	01/2015	02/01/2017	1701	6701			0	
311754	LONE PINE DAKOTA D UNIT #012	P	B-13-17N-09W	B	30-031-20183	G	12/1992	01/01/1995	3926	8926	Y		8926	
	LONE PINE DAKOTA D UNIT #014	P	3-13-17N-09W	H	30-031-20174	I	12/1992	01/01/1995	2793	7793	Y		7793	

	LONE.PINE DAKOTA D UNIT #023	P	K-13-17N-09W	K	30-031-20201	G	06/2005	07/01/2007	2775	7775	Y	7775	
311755	SANTA FE #016	P	C-7 -17N-08W	C	30-031-20086	O	08/2011	09/01/2013	2708	7708	Y	0	Y
	SANTA FE #017	P	F-7 -17N-08W	F	30-031-20102	O	08/2011	09/01/2013	2794	7794	Y	0	Y
	SANTA FE #029	P	B-7 -17N-08W	B	30-031-20341	O	08/2011	09/01/2013	2705	7705	Y	0	Y
311756	SANTA FE PACIFIC RAILROAD #002	P	L-13-17N-09W	L	30-031-20165	G	06/2009	07/01/2011	2811	7811	Y	7811	
	SANTA FE PACIFIC RAILROAD #008	P	D-24-17N-09W	D	30-031-20181	G	12/2010	01/01/2013	2930	7930	Y	0	Y
	SANTA FE PACIFIC RAILROAD #009	P	F-13-17N-09W	F	30-031-20182	G	06/2005	07/01/2007	2810	7810	Y	7810	
311757	SANTA FE RAILROAD #003	P	1-7 -17N-08W	D	30-031-05147	O	04/2015	05/01/2017	1584	6584		0	
	SANTA FE RAILROAD #004	P	C-7 -17N-08W	C	30-031-05151	O	04/2015	05/01/2017	1567	6567		0	
	SANTA FE RAILROAD #007	P	2-7 -17N-08W	E	30-031-05141	O	03/2014	04/01/2016	1614	6614		0	
	SANTA FE RAILROAD #008	P	3-7 -17N-08W	L	30-031-05496	O	04/2015	05/01/2017	1665	6665		0	
	SANTA FE RAILROAD #009	P	F-7 -17N-08W	F	30-031-05531	O	08/2011	09/01/2013	1670	6670	Y	0	Y
	SANTA FE RAILROAD #012	P	1-7 -17N-08W	D	30-031-20032	O	04/2015	05/01/2017	1585	6585		0	
	SANTA FE RAILROAD #013	P	1-7 -17N-08W	D	30-031-20038	O	08/2011	09/01/2013	1606	6606	Y	0	Y
	SANTA FE RAILROAD #014	P	1-7 -17N-08W	D	30-031-20037	O	08/2011	09/01/2013	1576	6576	Y	0	Y
	SANTA FE RAILROAD #015	P	2-7 -17N-08W	E	30-031-20036	O	08/2011	09/01/2013	1642	6642	Y	0	Y
	SANTA FE RAILROAD #018	P	1-7 -17N-08W	D	30-031-20138	O	08/2011	09/01/2013	1551	6551	Y	0	Y
	SANTA FE RAILROAD #019	P	2-7 -17N-08W	E	30-031-20139	O	07/2014	08/01/2016	1622	6622		0	
	SANTA FE RAILROAD #020	P	F-7 -17N-08W	F	30-031-20140	O	04/2015	05/01/2017	1655	6655		0	
	SANTA FE RAILROAD #021	P	C-7 -17N-08W	C	30-031-20141	O	04/2015	05/01/2017	1609	6609		0	
	SANTA FE RAILROAD #039	P	1-7 -17N-08W	D	30-031-20452	O	04/2015	05/01/2017	1650	6650		0	
	SANTA FE RAILROAD #040	P	2-7 -17N-08W	E	30-031-20451	O	08/2012	09/01/2014	1655	6655	Y	0	Y
	SANTA FE RAILROAD #041	P	1-7 -17N-08W	D	30-031-20594	O	08/2011	09/01/2013	1650	6650	Y	0	Y
	SANTA FE RAILROAD #042	P	F-7 -17N-08W	F	30-031-20745	O	04/2015	05/01/2017	4029	9029		0	
	SANTA FE RAILROAD #043	P	C-7 -17N-08W	C	30-031-20712	O	04/2015	05/01/2017	1715	6715		0	
	SANTA FE RAILROAD #044	P	C-7 -17N-08W	C	30-031-20713	O	04/2015	05/01/2017	1715	6715		6715	
	SANTA FE RAILROAD #045	P	F-7 -17N-08W	F	30-031-20804	O	12/2014	01/01/2017	1676	6676		0	
	SANTA FE RAILROAD #047	P	1-7 -17N-08W	D	30-031-20836	O	08/2011	09/01/2013	1625	6625	Y	0	Y
	SANTA FE RAILROAD #048	P	2-7 -17N-08W	E	30-031-20837	O	08/2011	09/01/2013	1665	6665	Y	0	Y
	SANTA FE RAILROAD #049	P	2-7 -17N-08W	E	30-031-20838	O	04/2015	05/01/2017	1740	6740		0	
	SANTA FE RAILROAD #050	P	2-7 -17N-08W	E	30-031-20854	O	08/2011	09/01/2013	1650	6650	Y	0	Y
311758	SANTA FE RAILROAD A #072	P	11-1 -17N-09W	P	30-031-05570	O	06/2013	07/01/2015	1631	6631	Y	0	Y
	SANTA FE RAILROAD A #073	P	O-1 -17N-09W	O	30-031-20019	O	09/2013	10/01/2015	1665	6665		0	
	SANTA FE RAILROAD A #074	P	9-1 -17N-09W	I	30-031-20021	O	07/2009	08/01/2011	1592	6592	Y	6592	
	SANTA FE RAILROAD A #075	P	10-1 -17N-09W	P	30-031-20072	O	12/2013	01/01/2016	1608	6608		0	
	SANTA FE RAILROAD A #076	P	11-1 -17N-09W	P	30-031-20073	O	04/2015	05/01/2017	1591	6591		0	
	SANTA FE RAILROAD A #077	P	11-1 -17N-09W	P	30-031-20100	O	04/2015	05/01/2017	1609	6609		0	
	SANTA FE RAILROAD A #079	P	O-1 -17N-09W	O	30-031-20099	O	04/2015	05/01/2017	1665	6665		0	
	SANTA FE RAILROAD A #080	P	11-1 -17N-09W	P	30-031-20133	O	04/2015	05/01/2017	1635	6635		0	
	SANTA FE RAILROAD A #081	P	O-1 -17N-09W	O	30-031-20134	O	04/2015	05/01/2017	1655	6655		0	
	SANTA FE RAILROAD A #082	P	11-1 -17N-09W	P	30-031-20137	O	04/2015	05/01/2017	1605	6605		0	
	SANTA FE RAILROAD A #084	P	O-1 -17N-09W	O	30-031-20372	I	05/2014	06/01/2016	1656	6656		6656	
	SANTA FE RAILROAD A #087	P	10-1 -17N-09W	P	30-031-20413	I	03/2005	04/01/2007	1598	6598	Y	6598	
	SANTA FE RAILROAD A #088	P	11-1 -17N-09W	P	30-031-20440	O	04/2015	05/01/2017	1670	6670		0	
	SANTA FE RAILROAD A #089	P	O-1 -17N-09W	O	30-031-20442	O	11/2013	12/01/2015	1769	6769		0	
	SANTA FE RAILROAD A #090	P	10-1 -17N-09W	P	30-031-20441	O	05/2012	06/01/2014	1670	6670	Y	0	Y
	SANTA FE RAILROAD A #091	P	11-1 -17N-09W	P	30-031-20714	O	01/2015	02/01/2017	1682	6682		0	
	SANTA FE RAILROAD A #093	P	10-1 -17N-09W	P	30-031-20716	O	01/2015	02/01/2017	1620	6620		0	
	SANTA FE RAILROAD A #094	P	11-1 -17N-09W	P	30-031-20722	O	04/2015	05/01/2017	1700	6700		0	
	SANTA FE RAILROAD A #095	P	10-1 -17N-09W	I	30-031-20746	O	04/2015	05/01/2017	1640	6640		0	
	SANTA FE RAILROAD A #096	P	O-1 -17N-09W	O	30-031-20800	O	04/2015	05/01/2017	1682	6682		0	
	SANTA FE RAILROAD A #097	P	O-1 -17N-09W	O	30-031-20855	I	03/2005	04/01/2007	1690	6690	Y	6690	
311759	SANTA FE RR B #032	P	M-5 -17N-08W	M	30-031-20303	O	04/1980	05/01/1982	2648	7648	Y	7648	
	SANTA FE RR B #033	P	L-5 -17N-08W	L	30-031-20369	O	12/2010	01/01/2013	2652	7652	Y	0	Y
	SANTA FE RR B #034	P	M-5 -17N-08W	M	30-031-20390	O	06/2009	07/01/2011	1638	6638	Y	6638	
	SANTA FE RR B #035	P	E-5 -17N-08W	E	30-031-20391	I	03/2014	04/01/2016	1644	6644		0	
	SANTA FE RR B #036	P	L-5 -17N-08W	L	30-031-20416	O	12/2010	01/01/2013	1600	6600	Y	0	Y
	SANTA FE RR B #037	P	M-5 -17N-08W	M	30-031-20415	O	12/2010	01/01/2013	1614	6614	Y	0	Y
	SANTA FE RR B #039	P	M-5 -17N-08W	M	30-031-20749	I	02/2012	03/01/2014	1650	6650	Y	0	Y
311760	SOUTH HOSPAH UNIT #001	F	G-12-17N-09W	G	30-031-05142	O	04/2015		1565			0	
	SOUTH HOSPAH UNIT #002	F	F-12-17N-09W	F	30-031-05139	O	04/2015		1637			0	
	SOUTH HOSPAH UNIT #003	F	3-12-17N-09W	H	30-031-05140	O	04/2015		1603			0	
	SOUTH HOSPAH UNIT #004	F	C-12-17N-09W	C	30-031-05145	O	08/2014		1640			0	

SOUTH HOSPAH UNIT #005	F	B-12-17N-09W	B	30-031-05146	O	05/2005	1645		0
SOUTH HOSPAH UNIT #006	F	1-12-17N-09W	A	30-031-20009	O	04/2015	1710		0
SOUTH HOSPAH UNIT #007	F	4-12-17N-09W	H	30-031-20012	O	04/2015	1750		0
SOUTH HOSPAH UNIT #008	F	G-12-17N-09W	G	30-031-20015	O	04/2015	1709		0
SOUTH HOSPAH UNIT #009	F	B-12-17N-09W	B	30-031-20013	S	04/2015	6945		0
SOUTH HOSPAH UNIT #010	F	C-12-17N-09W	C	30-031-60017	O	03/2015	2827		0
SOUTH HOSPAH UNIT #011	F	F-12-17N-09W	F	30-031-20016	O	04/2015	1774		0
SOUTH HOSPAH UNIT #012	F	E-12-17N-09W	E	30-031-20020	O	04/2015	1840		0
SOUTH HOSPAH UNIT #013	F	F-12-17N-09W	F	30-031-20054	O	04/2015	1720		0
SOUTH HOSPAH UNIT #014	F	E-12-17N-09W	E	30-031-20053	O	04/2015	1758		0
SOUTH HOSPAH UNIT #015	F	E-12-17N-09W	E	30-031-20055	O	03/2015	1790		0
SOUTH HOSPAH UNIT #016	F	F-12-17N-09W	F	30-031-20056	O	04/2015	1710		0
SOUTH HOSPAH UNIT #017	F	G-12-17N-09W	G	30-031-20057	I	04/2015	1787		0
SOUTH HOSPAH UNIT #024	F	B-12-17N-09W	B	30-031-20091	O	04/2015	1711		0
SOUTH HOSPAH UNIT #025	F	2-12-17N-09W	A	30-031-20092	O	04/2015	1702		0
SOUTH HOSPAH UNIT #026	F	1-12-17N-09W	A	30-031-20093	O	04/2015	1660		0
SOUTH HOSPAH UNIT #027	F	4-12-17N-09W	H	30-031-20094	O	08/2014	1669		0
SOUTH HOSPAH UNIT #028	F	2-12-17N-09W	A	30-031-20095	O	08/2014	1675		0
SOUTH HOSPAH UNIT #029	F	B-12-17N-09W	B	30-031-20120	O	04/2015	1625		0
SOUTH HOSPAH UNIT #030	F	B-12-17N-09W	B	30-031-20121	O	04/2015	1622		0
SOUTH HOSPAH UNIT #031	F	B-12-17N-09W	B	30-031-20122	O	04/2015	1651		0
SOUTH HOSPAH UNIT #032	F	C-12-17N-09W	C	30-031-20125	O	04/2015	1647		0
SOUTH HOSPAH UNIT #033	F	F-12-17N-09W	F	30-031-20124	I	04/2015	3930		0
SOUTH HOSPAH UNIT #035	F	2-12-17N-09W	A	30-031-20119	O	08/2014	1596		0
SOUTH HOSPAH UNIT #036	F	B-12-17N-09W	B	30-031-20118	I	10/2005	1635		0
SOUTH HOSPAH UNIT #037X	F	D-12-17N-09W	D	30-031-20135	O	04/2015	1666		0
SOUTH HOSPAH UNIT #038	F	2-12-17N-09W	A	30-031-20151	O	08/2014	1595		0
SOUTH HOSPAH UNIT #039	F	3-12-17N-09W	H	30-031-20152	I	10/2005	1687		0
SOUTH HOSPAH UNIT #046	F	E-12-17N-09W	E	30-031-20360	O	08/2014	1696		0
SOUTH HOSPAH UNIT #047	F	3-12-17N-09W	C	30-031-20361	O	04/2015	1780		0
SOUTH HOSPAH UNIT #048	F	G-12-17N-09W	G	30-031-20362	O	04/2015	1635		0
SOUTH HOSPAH UNIT #049	F	B-12-17N-09W	B	30-031-20363	O	04/2015	1639		0
SOUTH HOSPAH UNIT #050	F	2-12-17N-09W	A	30-031-20364	O	04/2015	1601		0
SOUTH HOSPAH UNIT #051	F	E-12-17N-09W	E	30-031-20242	I	11/2011	1662		0
SOUTH HOSPAH UNIT #052	F	C-12-17N-09W	C	30-031-20243	I	05/2005	1622		0
SOUTH HOSPAH UNIT #053	F	1-12-17N-09W	A	30-031-20278	O	04/2015	1678		0
SOUTH HOSPAH UNIT #054	F	1-12-17N-09W	A	30-031-20407	I	04/2015	1624		0
SOUTH HOSPAH UNIT #057	F	E-12-17N-09W	E	30-031-20408	I	04/2015	1746		0
SOUTH HOSPAH UNIT #058	F	F-12-17N-09W	F	30-031-20409	I	04/2015	1679		0
SOUTH HOSPAH UNIT #059	F	G-12-17N-09W	G	30-031-20410	I	04/2015	1657		0
SOUTH HOSPAH UNIT #060	F	3-12-17N-09W	H	30-031-20411	I	10/2005	1648		0
SOUTH HOSPAH UNIT #061	F	B-12-17N-09W	B	30-031-20546	O	04/2015	1715		0
SOUTH HOSPAH UNIT #062	F	B-12-17N-09W	B	30-031-20545	O	04/2015	1710		0
SOUTH HOSPAH UNIT #063	F	1-12-17N-09W	A	30-031-20544	O	04/2015	1695		0
SOUTH HOSPAH UNIT #064	F	3-12-17N-09W	H	30-031-20547	O	04/2015	1685		0
311761 WHIGHAM #003	P	H-11-17N-09W	H	30-031-20129	O	06/2013 07/01/2015	2885	7885 Y	0 Y

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Exhibit 3: ACO 285

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

NMOCD – ACO- 285

IN THE MATTER OF DOMINION PRODUCTION COMPANY LLC,

AGREED COMPLIANCE ORDER

Pursuant to the New Mexico Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38, as amended, and the Water Quality Act, NMSA 1978, Sections 74-6-1 through 74-6-17 as amended, the Director of the Oil Conservation Division ("OCD") and Dominion Production Company LLC ("Operator") enter into this Agreed Compliance Order ("Order" or "ACO") under which Operator agrees to perform maintenance on the subject injection wells as established in this order, and pay a monetary fine pursuant to Section 74-6-10 of the Water Quality Act. Operator agrees to perform the requirements established in this order in accordance with OCD rules, the following agreed schedule and procedures, and understands that the OCD will seek further sanctions if Operator fails to meet the schedule set out in this ACO.

FINDINGS

1. The OCD is the state division charged with administration and enforcement of the New Mexico Oil and Gas Act and the Water Quality Act, and rules and orders adopted pursuant to each Act.
2. Operator is a limited liability company doing business in the State of New Mexico and is registered with the Division under Oil and Gas Reporting Identification ("OGRID") No. 291567.
3. On October 2, 2013, the OCD met with Operator to discuss ACOI-266-0. During that meeting several other compliance issues were discussed including twenty two injection wells which were out of compliance.
4. The OCD contends that Operator did not comply with ACOI-266-0. This ACOI expired on April 18, 2013 and at that time the operator had not complied with all conditions. The Operator had also allowed additional wells to also be placed on the inactive well list. This ACO deals specifically with the violations detailed herein and does not affect ACOI-260-0.
5. OCD Rule 19.15.16.11 NMAC (Defective Casing Or Cementing) states in relevant part: If a well appears to have a defective casing program or faultily cemented or corroded casing that will permit or may create underground waste or contamination of fresh waters, the operator shall give written notice to the division within five working days and proceed with diligence to use the appropriate method and means to eliminate the hazard. If the hazard of waste or

contamination of fresh water cannot be eliminated, the operator shall properly plug and abandon the well.

6. Operator violated OCD Rule 19.15.16.11 NMAC by not proceeding with diligence to identify the cause of the Mechanical Integrity Test (“MIT”) failures and proceed with diligence to repair any issues identified and properly report them to the OCD for the two wells below.
 - a. South Hospah Unit #39- Failed MIT on October 21, 2008.
 - b. South Hospah Unit #17- Failed MITs on November 21, 2013, and on January 8, 2014.
7. OCD Rule 19.15.5.11 NMAC (Enforceability Of Permits And Administrative Orders) states in relevant part: A person who conducts an activity pursuant to a permit, administrative order or other written authorization or approval from the division shall comply with every term, condition and provision of the permit, administrative order, authorization or approval.
8. Operator violated OCD Rule 19.15.5.11 NMAC by not complying with all of the OCD’s conditions of approval on the following wells:
 - a. South Hospah Unit #36- An OCD inspection on August 14, 2013, identified this well as producing. To date Dominion has not complied with the conditions of their approval.
 - b. South Hospah Unit #39- Dominion has not complied with the 30 day MIT requirement for this well as required on August 21, 2013.
9. OCD Rule 19.15.26.11(A)(2) NMAC (Testing, Monitoring, Step-Rate Tests, Notice to the Division, Requests for Pressure Increases) states in relevant part: At least once every five years thereafter, the operator shall test an injection well to assure its continued mechanical integrity...
10. Operator violated OCD Rule 19.15.26.11(A)(2) NMAC by not proceeding with diligence to perform an MIT as required by rule on the following wells from the time it assumed operations:
 - a. Hospah Sand Unit #61- Last MIT performed 9-27-06
 - b. Hospah Sand Unit #66- Last MIT performed 8-27-04
 - c. Hospah Sand Unit #100- Last MIT performed 4-27-06
 - d. Hospah Sand Unit #58- Last MIT performed 4-19-06
 - e. Santa Fe Rail Road #23- Last MIT performed 9-27-06
 - f. Santa Fe Rail Road #87- Last MIT performed 9-15-00
 - g. Santa Fe Rail Road #97- Last MIT performed 9-15-00
 - h. Santa Fe Rail Road #83- Last MIT performed 9-15-00
 - i. South Hospah Unit #51- Last MIT performed 10-20-08 (A pretest was performed on 7-21-14 and the casing would not hold pressure.)
 - j. South Hospah Unit #39- Last MIT performed 10-21-08
 - k. South Hospah Unit #52- Last MIT performed 9-14-00
 - l. South Hospah Unit #36- Last MIT performed 9-14-00

- m. South Hospah Unit #60- Last MIT performed 7-31-01
- n. Lone Pine Dakota D Unit #14- Last MIT performed 7-23-02

11. OCD Rule 19.15.7.14 (Sundry Notices And Reports On Wells) (Form C-103): Form C-103 is a dual purpose form the operator files with the appropriate division district office to obtain division approval prior to commencing certain operations and to report various completed operations, including:

OCD Rule 19.15.7.14(A)(1)(a) NMAC effecting a change of plans from those the division previously approved on form C-101 or form C-103;

OCD Rule 19.15.7.14(B)(2)(h) NMAC installation of artificial lifting equipment;

12. Operator violated OCD Rule 19.15.7.14(A)(1)(a) NMAC by placing the South Hospah Unit #36 on production prior to having OCD's approval of a Notice of Intent.

13. Operator violated OCD Rule 19.15.7.14(B)(2)(h) NMAC by installing artificial lifting equipment on the South Hospah Unit #36 without filing a subsequent report with OCD. An OCD inspection on August 14th, 2013, identified lifting equipment.

14. OCD Rule 19.15.7.14.G(4) report of installation of pumping equipment or gas lift facilities.

15. Operator violated OCD Rule 19.15.7.14(G)(4) NMAC by not filing subsequent reports of installation of pumping equipment within 30 days on the South Hospah Unit #36. An OCD inspection on August 14th, 2013, identified this well had a pump install and was producing. It has been over 10 months since this well was identified as producing and a subsequent report has not been received.

16. OCD Rule 19.15.16.8 (Sign On Wells) states in relevant part:

A. An operator shall identify wells and related facilities the division regulates by a sign, which shall remain in place until the operator plugs and abandons the well and closes the related facilities...

C. The sign shall be of durable construction and the lettering shall be legible and large enough to be read under normal conditions at a distance of 50 feet...

E. An operator shall have 90 days from the effective date of an operator name change to change the operator name on the well sign unless the division grants an extension of time, for good cause shown along with a schedule for making the changes...

17. Operator violated OCD Rule 19.15.16.8 NMAC by not having a sign in compliance with the rule on the following locations:

- a. Santa Fe Rail Road #23- Current operator not listed and sign is illegible.
 - b. Hospah Sand Unit #61- Current operator not listed and incorrect API number.
 - c. Hospah Sand Unit #66- No well sign.
 - d. Lone Pine Dakota D Unit #14- No well sign.
 - e. Hospah Sand Unit #58- No well sign.
 - f. Santa Fe Rail Road #87- No well sign.
 - g. Santa Fe Rail Road #97- Current operator not listed.
 - h. South Hospah Unit #54- Current operator not listed.
18. OCD Rule 19.15.26.10(E) states that the division may restrict the injected volume and pressure for, or shut-in, injection wells or projects that have exhibited failure to confine injected fluids to the authorized injection zone or zones, until the operator has identified and corrected the failure.
19. Operator violated OCD Rule 19.15.26.10(E) NMAC by injecting into the South Hospah Unit #17 after it failed MITs on November 21st, 2013 and January 8th, 2014, and was required to be shut-in. This violation is also considered a Significant Non-Compliance (SNC) violation in accordance with United States Environmental Protection Agency (“USEPA”). A SNC violation requires the OCD to directly notify the USEPA.
20. NMSA 1978, § 74-6-5 states that the Water Quality Control Commission may require a person to obtain from a constituent agency designated by the commission a permit for the discharge of any water contaminant.
21. NMSA 1978, § 74-6-2(K)(4) identifies the oil conservation commission as a constituent agency of the Water Quality Control Commission.
22. The South Hospah Unit #17 was shut in and therefore Operator lacked authority to inject into the South Hospah Unit #17 well. The OCD considers this a discharge of a water contaminant without a permit in violation of NMSA 1978, § 74-6-5.

**OPERATOR INFORMATION SUBMITTED SUBSEQUENT TO THE
ADMINISTRATIVE CONFERENCE**

1. The 16 injection wells identified in Exhibit “A”, below, were not in compliance with certain of the OCD’s rules when Operator acquired them in 2012. Authorization to assume operations and accrual of Operator’s responsibility to correct incidents of non-compliance and prevent future violations commenced when OCD approved the C-145 Change of Operator forms on October 12, 2012.
2. The Operator disputes that it had not complied with ACOI-266-0 and noted that by correspondence dated April 11, 2013 it provided OCD with documentation of compliance.

3. Operator has corrected earlier incidents of non-compliance with OCD Rule 19.15.16.8 NMAC by placing new well signs on the following locations:
 - a. Santa Fe Rail Road #23
 - b. Hospah Sand Unit #61
 - c. Hospah Sand Unit #66
 - d. Lone Pine Dakota D Unit #14
 - e. Hospah Sand Unit #58
 - f. Santa Fe Rail Road #87
 - g. Santa Fe Rail Road #97
 - h. South Hospah Unit #54
4. Operator had obtained BLM approval of sundry notices for the work on the following wells:
 - a. South Hospah Unit #36
 - b. South Hospah Unit #39
5. Operator had obtained BLM approval of a sundry notice for the work on the South Hospah Unit #36 on production prior to having OCD's approval of a Notice of Intent.
6. Operator has subsequently corrected the violation of OCD Rule 19.15.7.14(G)(4) NMAC on the South Hospah Unit #36.
7. Operator has subsequently plugged and abandoned the following wells in accordance with the terms agreed upon at the September 3, 2014 administrative conference with the OCD:
 - a. Hospah Sand Unit #61, API 30-031-07025, UL E, Sec. 1, Township 17N, Range 9W
 - b. Hospah Sand Unit #66, API 30-031-05577, UL A, Sec. 1, Township 17N, Range 9W
 - c. Santa Fe Rail Road #23, API 30-031-20150, UL C, Sec. 7, Township 17N, Range 8W
 - d. Santa Fe Rail Road #83, API 30-031-20147, UL I, Sec. 1, Township 17N, Range 9W

CONCLUSIONS

1. The OCD has jurisdiction over the parties and subject matter in this proceeding.
2. The OCD and Operator are entering into this agreed compliance order which sets a schedule for Operator to return the wells identified in Exhibit "A" to compliance with OCD rules.
3. Some of the violations existed prior to Dominion assuming responsibility of the wells and some of the violations occurred after Dominion acquired the wells. However, Dominion acquired the wells on October 12, 2012 and as the current

operator Dominion is responsible to ensure compliance with the rules and regulations.

ORDER

1. Pursuant to the Water Quality Act, Section 74-6-10 NMSA 1978, Operator agrees to pay a fine of \$10,000 for violation of the Water Quality Act, Section 74-6-5 NMSA 1978 to be paid to the State of New Mexico general fund. This violation is determined to be Significant Non-Compliance by injecting into the South Hospah Unit #017, API No. 30-031-20057, a shut-in well that failed MIT Testing.
2. Operator agrees to plug and abandon four of the following injection wells by October 31, 2014, and the remaining five injection wells by March 1, 2015:
 - a. Hospah Sand Unit #61, API 30-031-07025, UL E, Sec. 1, Township 17N, Range 9W
 - b. Hospah Sand Unit #66, API 30-031-05577, UL A, Sec. 1, Township 17N, Range 9W
 - c. Hospah Sand Unit #100, API 30-031-20831, UL H, Sec. 36, Township 18N, Range 9W
 - d. Santa Fe Rail Road #23, API 30-031-20150, UL C, Sec. 7, Township 17N, Range 8W
 - e. Santa Fe Rail Road #87, API 30-031-20413, UL P, Sec. 1, Township 17N, Range 9W
 - f. Santa Fe Rail Road #97, API 30-031-20855, UL O, Sec. 1, Township 17N, Range 9W
 - g. Santa Fe Rail Road #83, API 30-031-20147, UL I, Sec. 1, Township 17N, Range 9W
 - h. South Hospah Unit #52, API 30-031-20243, UL C, Sec. 12, Township 17N, Range 9W
 - i. South Hospah Unit #60, API 30-031-20411, UL H, Sec. 12, Township 17N, Range 9W
3. Operator will place a well sign on the South Hospah Unit #54 by November 3, 2014.
4. Operator will perform MIT and in the event of an unsuccessful test shall run a liner or otherwise repair the South Hospah Unit #36 with work to be completed on or before by January 31, 2015.
5. Well work will be performed on the South Hospah Unit #17 and South Hospah Unit #39 to run liners, subject to approval of the OCD, to repair the wells and perform MITs by January 15, 2015 or immediately after the rig work at South Hospah 10.

ACO

Dominion Production Company LLC, OGRID 291567

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6. MIT's will be performed on the South Hospah Unit #51, Hospah Sand Unit #58 and Lone Pine Dakota D Unit #14 by January 31, 2015.
7. Operator shall file a compliance report identifying each well returned to compliance, stating the date it was returned to compliance, and describing the work performed to return the well to compliance, in addition to any other forms or documentation required by OCD rules for the work performed. The written compliance report must be mailed or e-mailed to the OCD's Enforcement and Compliance Manager and to the OCD attorney in charge of agreed compliance orders so that it is **received within 10 (ten) business days** after each of the above stated deadlines.
8. Operator understands that if it fails to meet the terms of this Order, the OCD may seek additional penalties pursuant to the New Mexico Oil and Gas and Water Quality Acts.
9. Operator shall complete the work on or before those dates referenced in paragraphs 2, 3, 4, 5, and 6 hereof, or as soon as reasonably practicable thereafter if prevented from doing so by the occurrence of force majeure events, including inclement weather, or inaccessibility of locations. Operator will promptly provide OCD with e-mail notification of the occurrence of such events before the respective deadline has expired. OCD may extend the time for completion of the work for good cause shown.
10. By signing this Order, Operator expressly:
 - a. acknowledges the correctness of the Findings and Conclusions set forth in this Order;
 - b. agrees to pay the fine of \$10,000 within 30 (thirty) days of the execution of this order by check, made payable to the State of New Mexico.
 - c. agrees to meet the compliance deadlines established in this order;
 - d. agrees to submit a compliance report as required in Ordering Paragraph 7;
 - e. waives any right, pursuant to the Oil and Gas Act, Water Quality Act, or otherwise, to an appeal from this Order, or to a hearing either prior to or subsequent to the entry of this Order regarding the matters resolved hereby; and
 - f. agrees that the Order may be enforced by OCD or Oil Conservation Commission Order, by suit or otherwise to the same extent and with the same effect as a final Order of the OCD or Oil Conservation Commission entered after notice and hearing in accordance with all terms and provisions of the Oil and Gas Act.

11. The OCD reserves the right to file an application for hearing to obtain authority to plug any well identified in Exhibit "A" and forfeit the applicable financial assurance if the well poses an immediate environmental threat.

Done at Santa Fe, New Mexico this 21st day of January, 2015

By: David Catanach
David Catanach
Director, Oil Conservation Division

ACCEPTANCE

Dominion Production Company LLC hereby accepts the foregoing Order, and agrees to all of the terms and provisions set forth in that Order.

Dominion Production Company LLC

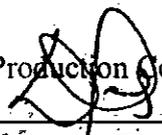
By: [Signature]
(Please print name) JAMES BURNS
Title: PRESIDENT
Date: 1/17/2015

Exhibit A to Agreed Compliance Order for Dominion Production Company LLC

Dominion Production Company LLC, Injection Wells in McKinley County:

1. Hospah Sand Unit #61, API 30-031-07025, UL E, Sec. 1, Township 17N, Range 9W
2. Hospah Sand Unit #66, API 30-031-05577, UL A, Sec. 1, Township 17N, Range 9W
3. Hospah Sand Unit #100, API 30-031-20831, UL H, Sec. 36, Township 18N, Range 9W
4. Hospah Sand Unit #58, API 30-031-20115, UL O, Sec. 36, Township 18N, Range 9W
5. Santa Fe Rail Road #23, API 30-031-20150, UL C, Sec. 7, Township 17N, Range 8W
6. Santa Fe Rail Road #87, API 30-031-20413, UL P, Sec. 1, Township 17N, Range 9W
7. Santa Fe Rail Road #97, API 30-031-20855, UL O, Sec. 1, Township 17N, Range 9W
8. Santa Fe Rail Road #83, API 30-031-20147, UL I, Sec. 1, Township 17N, Range 9W
9. South Hospah Unit #17, API 30-031-20057, UL G, Sec. 12, Township 17N, Range 9W
10. South Hospah Unit #51, API 30-031-20242, UL E, Sec. 12, Township 17N, Range 9W

11. South Hospah Unit #39, API 30-031-20152, UL H, Sec. 3, Township 17N, Range 9W
12. South Hospah Unit #52, API 30-031-20243, UL C, Sec. 12, Township 17N, Range 9W
13. South Hospah Unit #36, API 30-031-20118, UL B, Sec. 12, Township 17N, Range 9W
14. South Hospah Unit #60, API 30-031-20411, UL H, Sec. 12, Township 17N, Range 9W
15. Lone Pine Dakota D Unit #14, API 30-031-20174, UL H, Sec. 13, Township 17N, Range 9W
16. South Hospah Unit #54, API 30-031-20407, UL A, Sec. 12, Township 17N, Range 9W

Dominion Production Company LLC
By: 
Title: President