

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

RECEIVED OCD
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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.

CASE NO. 15379

PRE-HEARING STATEMENT

Applicant Oil Conservation Division (“OCD” or “Division”) is seeking an order declaring:

1. That operator, Dominion Production Company LLC, (“Dominion” or “Operator”) is out of compliance with Agreed Compliance Order (“ACO”) 285.
2. That Operator is in violation of OCD Rules 19.15.5.9, 19.15.25.8, and 19.15.8.9 NMAC.
3. That Operator must comply with the conditions in ACO 285 within 30 days of the issuance of a division order.
4. That Operator must comply with OCD Rules 19.15.5.9, 19.15.25.8, and 19.15.8.9 NMAC by a date certain.
5. If Operator does not comply with division order, finding that Operator is out of compliance with a division order, and the division declare all violating wells abandoned, and authorize the OCD to plug and abandon the operators wells and recover costs from Operator in accordance with OCD Rule 19.15.8.13 NMAC.

The OCD supports the approval because of the following:

1. Notice of Hearing was properly served as required by 19.15.4.9 NMAC and 19.15.4.10 NMAC.
2. Operator and the OCD entered into ACO 285 which established a mutually agreed upon schedule to return Operator to compliance with OCD rules.
3. ACO 285 was limited to Operator’s injection wells.
4. Operator partially complied with ACO 285, however currently has three (3) conditions unfulfilled. Those conditions had deadlines of January 15, 2015, January 31, 2015, and March 1, 2015 and remain unfulfilled.
5. Seventy-four (74) of Operator’s wells have been inactive in excess of a period of 1 year plus 90 days, and are not plugged or abandoned, nor placed in temporary

- abandonment status in violation of OCD Rule 19.15.25.8 NMAC. The number of violating wells has increased since the initial filing of this application for hearing.
6. Operator currently has seventy-four (74) wells out of a total of one hundred sixty-five (165) wells out of compliance with Division Rule 19.15.25.8 NMAC, exceeding the amount allowed under OCD Rule 19.15.5.9(A)(4) NMAC.
 7. Operator currently has thirty-eight (38) wells that require additional bonding in violation of OCD Rule 19.15.8.9 NMAC.

PETITIONERS'S PROPOSED EVIDENCE

WITNESS: ESTIMATED TIME: 15 minutes
Daniel Sanchez, NMOCD Compliance & Enforcement Manager
Testimony on compliance with OCD Rules.

WITNESS: ESTIMATED TIME: 15 minutes
Brandon Powell, NMOCD District 3 Inspection & Enforcement Supervisor
Testimony on condition of subject well sites and compliance with OCD rules.

PROCEDURAL MATTERS

None.

Respectfully submitted
this 22nd day of October, 2015 by

/s/ Keith Herrmann
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was electronically mailed to the following party on October 21, 2015:

Scott Hall
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Via shall@montand.com

/s/ Keith Herrmann
Keith W. Herrmann