

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
COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE
ORDER AGAINST SOVEREIGN EAGLE, LLC, FOR A WELL OPERATED IN
ROOSEVELT COUNTY, NEW MEXICO**

CASE NO 15706

APPLICATION

The New Mexico Oil Conservation Division Compliance and Enforcement Bureau (Bureau) through its undersigned attorney hereby files this application with the Oil Conservation Division (OCD or Division) pursuant to the provisions of NMSA 1978 §70-2-12 for a compliance order (1) determining operator Sovereign Eagle LLC (Operator) is out of compliance with 19 15 8 NMAC and NMSA 1978 § 70 2-14 (2) requiring Operator to return to compliance with 19 15 8 NMAC and (3) in the event of non-compliance finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance This application deals specifically with Operator s violations of OCD rules regarding financial assurance and does not include all violations that may exist The OCD retains its right to bring a compliance action for any other existing and future violations In support of this application the OCD states

1 Operator is a New Mexico limited liability company that operates 9 wells in Roosevelt County New Mexico under OGRID No 263940

2 Operator s address of record with OCD is P O Box 968 Roswell NM 88202

3 The New Mexico Secretary of State has Operator registered under
corporation number 263940 and identifies Sealy H Calvin Jr Manager as officer of
record

4 NMSA 1978 § 70-2-14 requires that each person firm corporation or
association who operates any oil gas or service well within the state as a condition
precedent to drilling or producing the well furnish financial assurance in the form of an
irrevocable letter of credit or a cash or surety bond or a well-specific plugging insurance
policy to the OCD running to the benefit of the state and conditioned that the well be
plugged and abandoned and the location restored and remediated in compliance with
OCD rules

5 19-15-8-9 C NMAC states that an operator shall cover a well that has been
in temporary abandonment for more than two years by either a one well financial
assurance or a blanket plugging financial assurance for wells in temporarily abandoned
status

6 Operator currently needs acceptable financial assurance for the following
well

a Stoltenberg #001 API # 30-041-20809 \$12,290 required bond
amount

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

A Determining that Operator is in violation of 19-15-8 NMAC

B Determining that Operator is in violation of NMSA 1978 § 70-2-14

- C Requiring Operator to provide the OCD with acceptable financial assurance within 30 days of the issuance of an order
- D In the event of non compliance with the sought Division order by the dates established by the OCD finding the Operator in violation of a Division order
- E For such other and further relief as the Director deems just and proper under the circumstances

RESPECTFULLY SUBMITTED
this 25 day of April 2017 by



Keith W Herrmann
Assistant General Counsel
Energy Minerals and Natural
Resources Department of the State of
New Mexico
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Attorney for the Compliance and
Enforcement Bureau

Case No 15706 **Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Sovereign Eagle, LLC, for a Well Operated in Roosevelt County, New Mexico** The New Mexico Oil Conservation Division Compliance and Enforcement Bureau (Bureau) through its undersigned attorney hereby files this application with the Oil Conservation Division (OCD or Division) pursuant to the provisions of NMSA 1978 §70-2-12 for a compliance order (1) determining operator Sovereign Eagle LLC (Operator) is out of compliance with 19 15 8 NMAC and NMSA 1978 § 70-2 14 (2) requiring Operator to return to compliance with 19 15 8 NMAC and (3) in the event of non-compliance finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance

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