

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

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A
COMPLIANCE ORDER AGAINST ROJO GRANDE COMPANY LLC, FINDING
THAT OPERATOR VIOLATED 19.15.4.201 NMAC AS TO ONE WELL,
REQUIRING OPERATOR TO RETURN SAID WELL INTO COMPLIANCE
WITH 19.15.4.201 NMAC BY A DATE CERTAIN, AND AUTHORIZING THE
DIVISION TO PLUG THE WELL AND FORFEIT THE APPLICABLE
FINANCIAL ASSURANCE IN THE EVENT OF NON-COMPLIANCE, EDDY
COUNTY, NEW MEXICO.**

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CASE NO. /3980

APPLICATION FOR COMPLIANCE ORDER

1. Rojo Grande Company LLC ("Operator") is a limited liability company operating a single well, the Ramapo No. 006, in New Mexico under OGRID 182162.
2. The Operator has posted a five thousand dollar (\$5,000) single well cash bond through Western Bank in Artesia, New Mexico pursuant to NMSA 1978, Section 70-2-14 to secure its obligation to plug and abandon the Ramapo No. 006 in compliance with the rules of the Oil Conservation Division ("Division").
3. Division rule 19.15.4.201 NMAC requires an operator to plug and abandon or temporarily abandon a well in accordance with Division rules within 90 days after a period of one year of continuous inactivity.
4. The following well ("subject well") operated by Operator in New Mexico has been inactive for a continuous period exceeding one year plus 90 days, and is neither

plugged and abandoned in accord with 19.15.4.202 NMAC nor on approved temporary abandonment status in accord with 19.15.4.203 NMAC:

- The Ramapo No. 006 N-36-17S-27E API 30-015-30964

5. Division rule 19.15.3.101(H) NMAC authorizes the Director to order the operator to plug and abandon any well not in compliance with 19.15.4.201 NMAC and restore and remediate the location by a date certain, and to direct the Division to forfeit the financial assurance upon failure or refusal of the operator, surety or other responsible party to properly plug and abandon the well and restore and remediate the location.

6. NMSA 1978, Section 70-2-12(B)(18) and NMSA 1978, Section 70-2-38 authorize the Division to plug and abandon wells, and restore and remediate the location of abandoned wells.

7. NMSA 1978, Section 70-2-33(A) defines “person” to include companies and other entities.

WHEREFORE, the Enforcement and Compliance Manager of the Division hereby applies to the Director to enter an order:

A. Determining that the subject well is not in compliance with 19.15.4.201 NMAC;

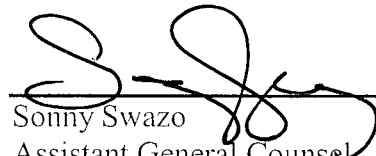
B. Requiring the Operator to bring the subject well into compliance with 19.15.4.201 NMAC within a date certain by plugging and abandoning the well in accordance with 19.15.4.202 NMAC, securing approved temporary abandonment status for the subject well in accordance with 19.15.4.203 NMAC, or returning the subject well to a Division-approved beneficial use; and

C. Further, if the subject well is not brought into compliance with 19.15.4.201 NMAC by the date set in the order:

- (1) Assessing a penalty of one thousand dollars (\$1,000) per day for each day the well is out of compliance with the order;
- (2) Authorizing the Division to plug the subject well in accordance with a Division-approved plugging program and restore and remediate the location; and
- (3) Authorizing the Division to declare forfeit the security furnished by the Operator; and

D. For such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,
this 25 day of July, 2007 by


Sonny Swazo
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Energy, Minerals and Natural
Resources Department of the State of
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Conservation Division

- Case No. 13980. Application of the New Mexico Oil Conservation Division for a Compliance Order against Rojo Grande Company LLC. The Applicant seeks an order finding that operator is in violation of 19.15.4.201 NMAC as to one well, requiring operator to return said well to compliance with 19.15.4.201 NMAC by a date certain and authorizing the Division to plug said well in the event of non-compliance. The affected well is: Ramapo No. 006, N-36-17S-27E, API 30-015-30964. The well is located approximately 10 miles southwest of Loco Hills, in Eddy County, New Mexico.