

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, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST REUBIN COLLINS D/B/A RCJ ENTERPRISES, FINDING THAT OPERATOR KNOWINGLY AND WILLFULLY VIOLATED OIL CONSERVATION DIVISION RULE 19.15.13.1115 NMAC AS TO SEVEN WELLS; AS TO ACTIVE WELLS KNOWINGLY AND WILLFULLY VIOLATED 19.15.9.701 AND 19.15.13.1104 NMAC, OR IN THE ALTERNATIVE, FINDING THAT OPERATOR KNOWINGLY AND WILLFULLY VIOLATED 19.15.4.201 NMAC; ASSESSING PENALTIES; REQUIRING OPERATOR TO RETURN THE WELLS TO COMPLIANCE BY A DATE CERTAIN; AUTHORIZING THE DIVISION TO PLUG THE WELLS IN THE EVENT OF OPERATOR'S NON-COMPLIANCE; LEA COUNTY, NEW MEXICO.

CASE NO. 14051

ENTRY OF APPEARANCE AND
PRE-HEARING STATEMENT

The Oil Conservation Division submits this entry of appearance and pre-hearing statement pursuant to OCD Rule 1211 [19.15.14.1211 NMAC].

APPEARANCES

APPLICANT

Oil Conservation Division

APPLICANT'S ATTORNEY

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RESPONDENT

Reubin Collins d/b/a RCJ Enterprises

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(575) 887-3528

STATEMENT OF THE CASE

In this case the Oil Conservation Division (“OCD”) is unsure whether the subject wells are inactive wells within the meaning of Rule 19.15.4.201 NMAC (“Rule 201”) or are active wells that Respondent is not reporting production on as required Rule 19.15.13.1115 NMAC (Rule 1115”).

According to OCD records, Respondent acquired the subject wells at various times. Soon after Respondent acquired a well, it either stopped filing or did not file C-115 production reports for the well.

Since at least 2006, OCD has tried to get Respondent to file its C-115 production reports and bring its inactive wells into compliance with Rule 201. On October 12, 2006, pursuant to its authority under Rule 1115 (which permits the OCD to revoke an operator’s authority to transport or inject into its wells if the operator fails to file its C-115 production reports), OCD revoked Respondent’s authority to transport or inject into its wells. Although OCD advised Respondent that it had the right to request a hearing to contest the revocation, Respondent did not do so. OCD had also informed Respondent that it could avoid the revocation by simply filing its C-115 production reports.

On February 13, 2007, after OCD was unable to get Respondent to file its C-115 production reports and return its wells to compliance with Rule 201, OCD filed an application for a compliance order against Respondent. In the application OCD requested that Respondent bring its inactive wells into compliance with Rule 201 by a date certain. The application included the subject wells in this case. The OCD dismissed the subject wells from the application after OCD Compliance Officer Larry “Buddy” Hill testified that the subject wells appeared capable of production when he inspected them.

On March 15, 2007, OCD Compliance Officer Hill observed two of the subject wells to be in violation of Rule 19.15.9.701 NMAC (“Rule 701”) and Rule 19.15.13.1104 NMAC (“Rule 1104”). Respondent was injecting and transporting after its authority had been revoked.

The OCD is seeking a compliance order requiring Respondent to file all outstanding C-115 monthly production reports for its wells by a date certain, to bring its inactive wells into compliance with Rule 201 by a date certain, and to pay a civil penalty for its knowing and willful violation of Rule 1115 as to the subject wells, knowing and willful violation of Rule 701 and Rule 1104, and knowing and willful violation of Rule 201 if the subject wells are inactive. In Respondent does not comply with the compliance order, OCD is requesting authorization to plug and abandon the wells.

APPLICANT'S PROPOSED EVIDENCE

WITNESS:

ESTIMATED TIME:

Daniel Sanchez
Enforcement and Compliance Manager

45 Minutes

Larry "Buddy" Hill
District I Compliance Officer

By telephone
45 Minutes

Dorothy Philips
Financial Assurance Administrator

By Affidavit

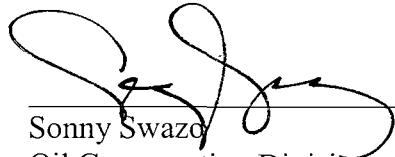
Jane Prouty
Production and Permitting Supervisor

By Affidavit
May call (if called, 45
minutes)

PROCEDURAL MATTERS

None.

Respectfully submitted
this 17 day of January 2008 by

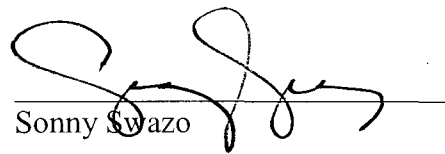


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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following by first class mail and email this 17 day of January 2008:

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