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 PARRISH, H. DWAYNE AND RHONDA K., FINDING OPERATOR IN VIOLATION OF RULE 19.15.4.201 NMAC AS TO ELEVEN WELLS; RULE 19.15.9.703 NMAC AS TO TWO WELLS; REQUIRING OPERATOR TO COME INTO COMPLIANCE BY A DATE CERTAIN; AND AUTHORIZING THE DIVISION TO PLUG THE THIRTEEN WELLS PURSUANT TO NMSA, 1978, SECTION 70-2-12(B) AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE IF OPERATOR FAILS TO COMPLY; EDDY COUNTY, NEW MEXICO.

CASE NO. 14164

Affidavit of Dorothy Phillips

STATE OF NEW MEXICO)
) SS
COUNTY OF SANTA FE)

Dorothy Phillips, being first duly sworn on oath, states as follows:

- 1. I have been employed as the financial assurance administrator at the Santa Fe, New Mexico office of the Oil Conservation Division (hereinafter, "OCD") since 1994.
- 2. My duties include maintaining records of financial assurance documents filed by operators pursuant to NMSA 1978, Section 70-2-14.
- 3. I have reviewed OCD's financial assurance records to determine if financial assurance documents were filed for the wells at issue in the above-captioned case (hereinafter, "subject wells"):

•	Adkins Williams State No. 001;	30-015-10450;	O-17-18S-28E
•	Adkins Williams State No. 002;	30-015-01916;	O-17-18S-28E
•	• Adkins Williams State No. 002Y;	30-015-01920;	O-17-18S-28E
•	Adkins Williams State No. 005;	30-015-01919;	O-17-18S-28E
•	• Adkins Williams State No. 006;	30-015-01906;	O-17-18S-28E
•	• Atlantic State No. 003;	30-015-01387;	O-16-17S-28E
•	Graridge State No. 003;	30-015-01904;	L-17-18S-28E
•	Schoonmaker St No. 004;	30-015-26019;	L-12-19S-29E
•	State T No. 001;	30-015-03581;	E-12-19S-29E

• State T No. 002;	30-015-26378;	E-12-19S-29E
 Sunray Mid Continent No. 001; 	30-015-01350;	A-11-17S-28E
 Sunray Mid Continent No. 002; 	30-015-01351;	I-11-17S-28E
• Welch State No. 004;	30-015-10452;	K-17-18S-28E

- 4. OCD's electronic permitting database, "E-Permitting," identifies the wells associated with a particular operator that have not been plugged and abandoned. Attachment A to this affidavit is a printout of the E-Permitting screen showing Parrish, H. Dwane and Rhonda K. (hereinafter, "Operator"), as the operator of the subject wells.
- 5. ONGARD (Oil and Natural Gas Administration and Revenue Database) maintains data on the financial assurances posted by operators. Attachment B to this affidavit consists of a printout of the ONGARD screen showing that Operator posted a \$50,000 blanket plugging bond (Bond No. OCD 432) through Western Bank, P.O. Drawer 500, Artesia, New Mexico 88211-0500. Attachment C to this affidavit is a copy of blanket plugging bond number OCD 432:
- 6. Attachment D to this affidavit is copy of the ONGARD screen and single well surety bond for the Adkins Williams State No. 002 showing that Operator posted a \$7,178.00 single well plugging bond for this well through Lexon Insurance Company, 10002 Shelbyville Rd., Suite 100, Louisville, Kentucky 40223.
- 7. Attachment E to this affidavit is copy of the ONGARD screen and single well surety bond for the Adkins Williams State No. 005 showing that Operator posted a \$8,190.00 single well plugging bond for this well through Lexon Insurance Company; 10002 Shelbyville Rd., Suite 100, Louisville, Kentucky 40223.
- 8. Attachment F to this affidavit is copy of the ONGARD screen and single well surety bond for the Atlantic State No. 003 showing that Operator posted a \$6,966.00 single well plugging bond for this well through Lexon Insurance Company, 10002 Shelbyville Rd., Suite 100, Louisville, Kentucky 40223.
- 9. Attachment G to this affidavit is copy of the ONGARD screen and single well surety bond for the Graridge State No. 003 showing that Operator posted a \$7,136.00 single well plugging bond for this well through Lexon Insurance Company, 10002 Shelbyville Rd., Suite 100, Louisville, Kentucky 40223.
- 10. Attachment H to this affidavit is copy of the ONGARD screen and single well surety bond for the Schoonmaker St No. 004 showing that Operator posted a \$7,624.00 single well plugging bond for this well through Lexon Insurance Company, 10002 Shelbyville Rd., Suite 100, Louisville, Kentucky 40223.
- 11. Attachment I to this affidavit is copy of the ONGARD screen and single well surety bond for the State T No. 001 showing that Operator posted a \$9,064.00 single well plugging bond for this well through Lexon Insurance Company, 10002 Shelbyville Rd., Suite 100, Louisville, Kentucky 40223.

- 12. Attachment J to this affidavit is copy of the ONGARD screen and single well surety bond for the State T No. 002 showing that Operator posted a \$7,620.00 single well plugging bond for this well through Lexon Insurance Company, 10002 Shelbyville Rd., Suite 100, Louisville, Kentucky 40223.
- 13. Attachment K to this affidavit is copy of the ONGARD screen and single well surety bond for the Sunray Mid Continent No. 001 showing that Operator posted a \$7,161.00 single well plugging bond for this well through Lexon Insurance Company, 10002 Shelbyville Rd., Suite 100, Louisville, Kentucky 40223.
- 14. Attachment L to this affidavit is copy of the ONGARD screen and single well surety bond for the Sunray Mid Continent No. 002 showing that Operator posted a \$6,650.00 single well plugging bond for this well through Lexon Insurance Company, 10002 Shelbyville Rd., Suite 100, Louisville, Kentucky 40223.
- 15. Attachment M to this affidavit is copy of the ONGARD screen and single well surety bond for the Welch State No. 004 showing that Operator posted a \$7,474.00 single well plugging bond for this well through Lexon Insurance Company, 10002 Shelbyville Rd., Suite 100, Louisville, Kentucky 40223.
- 16. OCD records show the blanket and single well bonds listed above remaining in effect.

THIS CONCLUDES MY AFFIDAVIT.

Dorothy Phillips

SUBSCRIBED AND SWORN before me this 19 day of August 2008.

Domis M Zondel Notary Public

My Commission Expires:

01-09-2012