

STATE OF NEW MEXICO RECEIVED
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION 31 PM 2 44

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST GEORGE A. CHASE, JR., FINDING OPERATOR IN NON-COMPLIANCE WITH RULES 19.15.13.1115, 19.15.4.201 AND 19.15.3.101 AS TO ONE WELL; REQUIRING OPERATOR TO COME INTO COMPLIANCE BY A DATE CERTAIN OR PLUG AND ABANDON THE WELL; AUTHORIZING THE DIVISION TO PLUG AND ABANDON THE WELL AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE IF OPERATOR FAILS TO COMPLY; AND ASSESSING PENALTIES; EDDY COUNTY, NEW MEXICO.

CASE NO. 14260

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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Energy, Minerals and Natural
Resources Department
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RESPONDENT

George A. Chase, Jr.

No entry of appearance filed.

STATEMENT OF THE CASE

Respondent George A. Chase, Jr. ("Operator") is the operator of record of the Quail State No. 001 well (30-015-22008). The well has had no reported production since August 1983 and therefore is in violation of OCD Rule 19.15.4.201 NMAC ("Rule 201").

Operator has filed no C-115 monthly production reports for the well for the reporting periods of January 2004 through September 2007. This is a violation of OCD Rule 19.15.13.1115 NMAC ("Rule 1115").

Operator has not posted the additional financial assurance that is required to be posted for this well under OCD Rule 19.15.3.101 NMAC ("Rule 101").

The OCD is seeking an Order requiring Operator to file the C-115 monthly production reports that need to be filed for the Quail State No. 001 well under OCD Rule 1115, to bring the well into compliance with OCD Rule 201 by a date certain; and to post the additional financial assurance that needs to be posted under OCD Rule 101 if the well is not returned to production by the set date.

If Operator does not meet any of the compliance deadlines set in the Order, the OCD is requesting that Operator be required to plug and abandon the well by a date certain. In the event of Operator's non-compliance, OCD is requesting authorization to plug and abandon the well and to forfeit the applicable financial assurance.

The OCD is also seeking civil penalties for Operator's knowing and willful violation of OCD Rules 101 and 201.

RESPONDENT'S PROPOSED EVIDENCE

WITNESS:

ESTIMATED TIME:

Daniel Sanchez
OCD Enforcement and Compliance Manager

30 Minutes

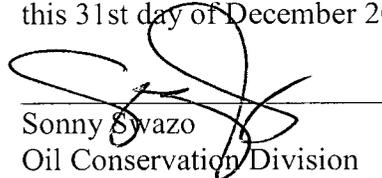
Affidavit
Dorothy Phillips
Financial Assurance

Affidavit
Jane Prouty
Production Records

PROCEDURAL MATTERS

None at this time.

Respectfully submitted
this 31st day of December 2008 by



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Attorney for the Oil Conservation Division

CERTIFICATE OF SERVICE

I hereby certify that on this 31st day of December, 2008, I sent a correct copy of the foregoing pleading via first class mail to:

Mr. George A. Chase, Jr.
P.O. Box 1618
Artesia, NM 88211-1618



Sonny Swazo