

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



November 16, 2009

Agua Sucia LLC
14605 S. Memorial Dr.
Bixby OK 74008

Case 14411

Rebuttal of presumption of inactivity as to one well
Effective through July 14, 2010

Re: Agua Sucia LLC (OGRID 265779)
Wells: Government E #001, 30-025-23708

Dear Operator:

Subsection (F)(2) of Oil Conservation Division (OCD) Rule 19.15.5.9 NMAC provides that the listing of a well on the OCD's inactive well list as a well inactive for more than one year plus 90 days creates a "rebuttable presumption" that the well is out of compliance with OCD Rule 19.15.25.8 NMAC.

An operator may rebut that presumption by providing evidence that the well is in compliance with OCD Rule 19.15.25.8 NMAC.

The well identified above currently appears on the OCD's inactive well list as a well operated by Agua Sucia LLC that has been inactive for more than one year plus 90 days. However, the operator has provided documentation that the well was worked over, with the most recent repair work on the well done on April 14, 2009. 19.15.2.7.1 (4) NMAC defines an inactive well, in relevant part, as a well that "is not being ... repaired or worked over."

Agua Sucia LLC has rebutted the presumption created by Rule 19.15.5.9.F.2 that the well identified above is in violation of 19.15.25.8 NMAC because the well has been "active" as defined by OCD rules within the past year plus 90 days.



November 16, 2009

Page 2

Although the above-named well appears on Agua Sucia LLC's inactive well list, the OCD should not consider the well as out of compliance with Rule 19.15.5.9.A.4.d NMAC or include it in calculating Agua Sucia LLC's compliance with Rule 19.15.5.9 NMAC.

Because Agua Sucia LLC indicates that the well was being repaired as recently as April 14, 2009, the presumption that the well is not inactive will remain until **July 14, 2010**: one year and ninety days from the most recent day of activity.

On July 15, 2010, if the well identified above appears on the inactive well list the presumption that the well is inactive will return.

Sincerely,

A handwritten signature in black ink, appearing to read 'Daniel Sanchez', with a long horizontal flourish extending to the right.

Daniel Sanchez
Compliance and Enforcement Manager

Ec: Larry Hill, District I
Randy Dade, District II
Charlie Perrin, District III
Dorothy Phillips, Financial Assurance Administrator
Gail MacQuesten, OCD Attorney