

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

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE AUTOMATION AND RECORDS BUREAU CHIEF, FOR AN
ORDER REQUIRING H&S PRODUCTION TO FILE PRODUCTION REPORTS,
AND ASSESSING CIVIL PENALTIES; SAN JUAN COUNTY, NEW MEXICO**

CASE NO. 13000

APPLICATION FOR COMPLIANCE ORDER AND PENALTIES

1. H&S Production ("Operator") is the operator of the following wells ("the subject wells") in Section 1, Township 30 North, Range 16 West, San Juan County, New Mexico:

NA DZIS PAH Well No. 1, located 1980 feet from the North line and 2230 feet from the East line (Unit G) of Section 1

NA DZIS PAH Well No. 2, located 660 feet from the North line and 2260 feet from the East line (Unit B) of Section 1

The subject wells have not been plugged and abandoned.

2. Operator has filed no production reports on the subject wells for any month since June, 1999.

3. OCD Rule 1115 [19.15.14.1115 NMAC] requires that the Operator's Monthly Report (Form C-115) detailing production from each well for which an operator is responsible be filed in the Santa Fe Office of the Oil Conservation Division ("the Division") on or before the fifteenth day of the second month following the month of production.

4. Operator is in default with respect to filing of the required monthly reports for the months of July, 1999 through October, 2002, inclusive, a total of forty (40) months.

5. The Division has frequently notified Operator of its failure to file required reports regarding the subject wells, but Operator has wholly failed and refused to cure its defaults in this respect.

6. Rule 1115 is a rule duly adopted by the New Mexico Oil Conservation Commission pursuant to the New Mexico Oil and Gas Act [NMSA 1978 Secs 70-2-1 through 70-2-38, as amended].

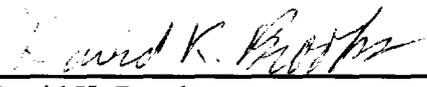
7. NMSA 1978 Section 70-2-31, as amended, provides that any person who knowingly and willfully violates any provision of the Oil and Gas Act or any rule, regulation or order of the Commission or the Division issued pursuant to that Act shall be subject to civil penalties not to exceed \$1,000 for each such violation.

WHEREFORE, the Automation and Records Bureau Chief of the Division hereby applies to the Director to enter an order:

- A. Ordering Operator to file by a date certain its Operator's Monthly Reports (Form C-115) with the Santa Fe office of the Division, including thereon full and accurate production data with respect to the subject wells, for each of the months from July, 1999 through the last month for which such report is due at the time of the hearing in this case.
- B. Assessing civil penalties for Operator's past failure to timely file its reports, not to exceed \$1,000 per month for each report not timely filed.

- C. Assessing additional civil penalties, not to exceed \$1,000 per day, in the event Operator fails to file such reports on or before the date fixed in said order, not to exceed \$1,000 per day for each day that elapses from the date so fixed until Operator complies.
- D. For such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,



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Case No. 13000. **Application of the New Mexico Oil Conservation Division for an Order Requiring H&S Production to File Production Reports and Assessing Civil Penalties, San Juan County, New Mexico.** The applicant seeks an order requiring the operator of two (2) wells in San Juan County to file production reports (Form C-115s) on said wells for the months of July, 1999 to the present, and seeks civil penalties for operator's delinquency in filing such reports. The affected wells are located in Section 1, Township 30 North, Range 16 West, San Juan County, New Mexico, and specifically identified as follows:

NA DZIS PAH Well No. 1, (**API No. 30-045-09949**), located 1980 feet from the North line and 2230 feet from the East line (Unit G) of Section 1

NA DZIS PAH Well No. 2, (**API No. 30-045-10016**), located 660 feet from the North line and 2260 feet from the East line (Unit B) of Section 1