

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

**IN RE RAYBAW OPERATING, LLC**

**NMOCD-ACOI- 201975**

**AGREED COMPLIANCE ORDER FOR INACTIVE WELLS**

Pursuant to the New Mexico Oil and Gas Act ("Act"), NMSA 1978, Section 70-2-1, *et seq.*, and 19.15.5.10(E) NMAC, the Director of the Oil Conservation Division ("OCD") and Raybaw Operating, LLC ("Operator"), enter into this Agreed Compliance Order for Inactive Wells ("ACOI").

1. OCD is charged with the administration and enforcement of the Oil and Gas Act and its rules and has jurisdiction over Operator and its wells in the state of New Mexico.
2. Operator requests transfer of operatorship of forty-one (41) wells from Contango Resources, LLC ("Contango"), of which thirty-four (34) are currently inactive per 19.15.25.8 and 19.15.5.9 NMAC. Operator currently has four (4) wells that are inactive per 19.15.25.8 and 19.15.5.9 NMAC.
3. Contango operates under OGRID # 330447.
4. Operator operates under OGRID # 330220.
5. OCD is authorized to impose sanctions for violations of the Oil and Gas Act and its rules, including denial or revocation of registrations, applications, permits, authorizations and transfers, and the assessment of civil penalties. *See* 19.15.5.10 NMAC.
6. Operator requests this ACOI to avoid sanctions for violating the Oil and Gas Act, 19.15.8.9 NMAC, and 19.15.25 NMAC with respect to the Wells.
7. Operator admits the findings of fact and waives any right to appeal from this ACOI.
8. Operator accepts and acknowledges responsibility for any and all costs associated with plugging and abandonment and remediation of the Wells. Specifically, Operator assumes responsibility for any remediation required under 19.15.29 NMAC.
9. Operator must file Change of Operator forms (C-145) for all wells identified in **Exhibit A** as registered to Contango, requesting transfer from Contango to Raybaw within 45 days of the execution of this Order.

10. No later than the dates listed in **Exhibit A**, Operator shall take one of the following actions for each well:
  - a. restore the Well to production and file a C-115;
  - b. plug the Well in accordance with 19.15.25 NMAC and file a complete and accurate C-103 requesting release of the well site by OCD. Along with a complete and accurate request to release the site.
11. If Operator determines that any well currently identified in **Exhibit A** as being returned to production is unable to return to production, Operator must notify OCD that the well must be plugged and abandoned on or before the production deadline in **Exhibit A**. Operator must plug and abandon any such well within six months of the production deadline, except as approved by OCD for good cause shown.
12. No later than the 15<sup>th</sup> day of each month following the entry of this ACOI, Operator shall file a report describing the action taken for each Well, and such other information as OCD may request from time to time. The report shall be sent by electronic mail to OCD's Administrative and Compliance Bureau, at [OCDAdminComp@state.nm.us](mailto:OCDAdminComp@state.nm.us).
13. Operator must provide sufficient blanket financial assurance for the Wells under 19.15.8.9(C) NMAC, prior to OCD's approval of any well transfer.
14. Operator agrees that any lapse in financial assurance, regardless of cause, is a violation of OCD rules and the terms of this Order and is subject to daily stipulated penalties.
15. If Operator fails to comply with a requirement of this ACOI for a Well, the Well shall be deemed to be out of compliance with the Oil and Gas Act and rules.
16. If Operator fails to comply with a requirement of this ACOI, no later than thirty (30) days after receipt of a written demand from OCD, in addition to any other sanction imposed by OCD pursuant to the Oil and Gas Act and the rules adopted thereunder, Operator shall pay a stipulated penalty of \$250.00 for each day until it complies with each separate requirement ("Stipulated Penalty"). Each failure to comply with a requirement of this ACOI shall be subject to a separate Stipulated Penalty.
17. If Operator fails to pay the Stipulated Penalty or portion thereof within thirty (30) days after receipt of a written demand from OCD, it shall pay interest on the Stipulated Penalty or unpaid portion thereof until paid in full at the interest rate of 8.75 percent annual interest.
18. Operator shall not transfer a Well to another operator without the prior approval

of the OCD.

19. If Operator fails to return any well to compliance consistent with the compliance schedule attached as **Exhibit A**, OCD may immediately plug and abandon, restore, and/or remediate any of the wells. Operator agrees that it will forfeit any financial assurance associated with any well which is plugged and abandon, restored, or remediated by the OCD.
20. This Order becomes effective on the date of final execution by the OCD Director.
21. OCD reserves the right to sanction Operator for any alleged violation not addressed in this Order.
22. The persons executing this Order represent that they have the requisite authority to bind their respective parties, and such representation shall be legally sufficient evidence of their actual or apparent authority.
23. Notwithstanding the foregoing provisions,
  - a. OCD reserves the right to apply for authorization to plug a Well and to forfeit the financial assurance at an early date then specified herein if the Well poses an imminent threat to the public health or environment.
  - b. OCD reserves the right to sanction Operator for any alleged violation not addressed in this Order.
  - c. OCD reserves the right to seek indemnification for any costs or liabilities incurred, in the event OCD plug and abandons any/all wells listed herein as **Exhibit A**.

#### NEW MEXICO OIL CONSERVATION DIVISION



Gerasimos Razatos  
Acting Director

1/6/2025

Date

#### RAYBAW OPERATING, LLC



Michael Lee  
Manager

01/02/2025

Date

Michael Lee                      Manager  
Printed Name                      Title

Exhibit A								
Operator Name:	RAYBAW Operating, LLC							
Operator OGRID:	330220							
ACOI submittal Date:								
ACOI Approval Date:								
Total Number of Non-Compliant Wells:	39							
Number of Wells per month brought into production or plugged:	11							
ACOI # : (Assigned by OCD)	201975							
List of Noncompliant Wells								
API	Well Name/Number	Plug or Produce?	Date of plugging or production	Date of Last Production	Financial Assurance Single well or Blanket bond?	Amount of Financial Assurance		
3001526205	ANGLER ALF STATE 001	Plug	3/31/2025	7/1/2021	Blanket	\$ 1,000,000.00	Contango to Raybaw	
3001529734	BIG FREDDY AVQ FEDERAL #001	Plug	3/31/2025	4/1/2020	Blanket	\$ 1,000,000.00		
3002536077	DEMPSTER STATE #001	Plug	4/30/2025	3/1/2023	Blanket	\$ 1,000,000.00		
3001520136	ED WOOD ASE FEDERAL 001	Plug	4/30/2025	3/1/2021	Blanket	\$ 1,000,000.00		
3002537963	FEDERAL 2-17 #004	Plug	5/31/2025	9/1/2022	Blanket	\$ 1,000,000.00		
3002534252	FIELD APK STATE COM #003	Plug	5/31/2025	11/1/2022	Blanket	\$ 1,000,000.00		
3002534688	GALLAGHER ATJ STATE COM #001	Plug	6/30/2025	12/1/2022	Blanket	\$ 1,000,000.00		
3002536016	GLOBAL BBG #001	Plug	6/30/2025	10/1/2022	Blanket	\$ 1,000,000.00		
3001522247	LECHUGUILLA CANYON UNIT 006	Plug	7/31/2025	7/1/2021	Blanket	\$ 1,000,000.00		
3001529365	PESCADOR AQV STATE COM 001	Plug	7/31/2025	7/1/2021	Blanket	\$ 1,000,000.00		
3002535697	RUNNELS ASP #005	Plug	8/31/2025	1/1/2023	Blanket	\$ 1,000,000.00		
3002529544	STIVASON FEDERAL #003	Plug	8/31/2025	8/1/2018	Blanket	\$ 1,000,000.00		
3002534981	BIMINI 13 STATE #001	Produce	1/31/2025	3/1/2020	Blanket	\$ 1,000,000.00		
3002535084	BIMINI 13 STATE #002	Produce	1/31/2025	10/1/2022	Blanket	\$ 1,000,000.00		
3002535124	BIMINI 13 STATE #003	Produce	1/31/2025	6/1/2020	Blanket	\$ 1,000,000.00		
3002535150	BIMINI 13 STATE #004	Produce	1/31/2025	9/1/2021	Blanket	\$ 1,000,000.00		
3002535194	BIMINI 13 STATE #005	Produce	1/31/2025	9/1/2021	Blanket	\$ 1,000,000.00		
3002510066	GRIZZELL #001*	Produce	2/28/2025	2/1/2023	Blanket	\$ 1,000,000.00		
3002510067	GRIZZELL #002*	Produce	2/28/2025	2/1/2023	Blanket	\$ 1,000,000.00		
3002527185	GRIZZELL #003*	Produce	2/28/2025	2/1/2023	Blanket	\$ 1,000,000.00		
3002536782	GRIZZELL #004*	Produce	2/28/2025	2/1/2023	Blanket	\$ 1,000,000.00		
3002537163	GRIZZELL #005*	Produce	2/28/2025	2/1/2023	Blanket	\$ 1,000,000.00		
3002538215	GRIZZELL #006*	Produce	3/30/2025	2/1/2023	Blanket	\$ 1,000,000.00		
3002531244	NOWATA AGR STATE #001	Produce	3/30/2025	4/1/2021	Blanket	\$ 1,000,000.00		
3002531966	NOWATA AGR STATE #002	Produce	3/30/2025	9/1/2021	Blanket	\$ 1,000,000.00		
3001535681	PICKETT DRAW 16 STATE 002H	Produce	3/30/2025	6/1/2022	Blanket	\$ 1,000,000.00		
3001535623	CORRAL FLY FEDERAL 001H	Produce	4/30/2025	9/1/2022	Blanket	\$ 1,000,000.00		
3002501377	DENIUS FEDERAL #006	Produce	4/30/2025	5/1/2022	Blanket	\$ 1,000,000.00		

3002501407	DENIUS FEDERAL #007	Produce	4/30/2025	4/1/2022	Blanket	\$ 1,000,000.00		
3002537675	ELLIOTT B FEDERAL #016	Produce	4/30/2025	6/1/2022	Blanket	\$ 1,000,000.00		
3002532045	HOUR GLASS AGQ STATE #001	Produce	5/31/2025	1/1/2020	Blanket	\$ 1,000,000.00		
3001535820	KARLSBAD CORRAL 2 STATE 005H	Produce	5/31/2025	6/1/2022	Blanket	\$ 1,000,000.00		
3001535113	KARLSBAD CORRAL 2 STATE 008H	Produce	5/31/2025	4/1/2022	Blanket	\$ 1,000,000.00		
3001526642	YATES FEDERAL #003	Produce	6/30/2025	8/1/2021	Blanket	\$ 1,000,000.00		
3002521355	STATE O #025	Produce	6/30/2025	2/1/2022	Blanket	\$ 1,000,000.00		
3002529016	STATE SEC 9 #001	Produce	6/30/2025	8/1/2022	Blanket	\$ 1,000,000.00		
3002535324	STATE SEC 9 #002	Produce	7/31/2025	12/1/2022	Blanket	\$ 1,000,000.00		
3002505402	STATE V #001	Produce	7/31/2025	12/1/2021	Blanket	\$ 1,000,000.00		
3002521431	STATE V #002	Produce	8/31/2025	12/1/2021	Blanket	\$ 1,000,000.00		
3002523718	STATE WG #001	Produce	8/31/2025	1/1/2021	Blanket	\$ 1,000,000.00		
3002501337	CORBIN ABO SWD #031	Produce	9/30/2025	4/1/2020	Blanket	\$ 1,000,000.00		
3000563415	BUFFALO HUNT 21 #001	Plug	9/15/2025	8/1/2023	Blanket	\$1,000,000.00	IA wells owned and operated by Raybaw	
3000529066	POLECAT STATE #001	Plug	9/30/2025	3/1/2023	Blanket	\$1,000,000.00		
3001520807	SMITH FEDERAL COM #002	Plug	9/30/2025	11/1/2019	Blanket	\$1,000,000.00		
3002525862	SUN MCKAY FEDERAL #002	Produce	3/1/2025	5/1/2023	Blanket	\$1,000,000.00		
* These wells are active on OCD permitting. However, according to the Operator require attention. Thus, are on this compliance schedule.								