

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

APPLICATION OF THE ESTATE OF JOHN R. STEARNS TO REMOVE NORTHERN
PACIFIC OIL AND GAS, INC. AS OPERATOR OF RECORD OF THE NEW MEXICO
BA STATE #001, NEW MEXICO STATE BA #002, AND NEW MEXICO BA #004.
CHAVES COUNTY, NEW MEXICO. CASE NO.

APPLICATION

Pursuant to NMSA 1978 70-2-11(A) and Rule 19.15.9.9(B) NMAC, The Estate of John R. Stearns, deceased, (“Stearns”, or “Applicant”) (OGRID No. 21566) applies for an order removing Northern Pacific Oil and Gas, Inc. (OGRID No. 330352), as operator of record of the New Mexico BA State #001 (API #: 30-005-20944), New Mexico BA State #003 (API #: 30-005-21021), and New Mexico BA State #004 (API #: 30-005-21023), and designating John R. Stearns Estate as operator of record. Applicant states the following in support of its application.

1. John R. Stearns Estate is the successor in interest of John R. Stearns who was a registered operator in good standing with the Oil Conservation Division ("OCD").
2. John R. Stearns Estate is record title owner of State Lease dated June 10, 1942 ("Lease").
3. John R. Stearns dba Stearns ("Stearns") upon information and belief, has determined that Doral Energy Corporation has transferred and assigned the purchase agreement, bill of sale and indemnification agreement, in the following chronological sequence: from Doral Energy Corporation to Cross Border Resources, Inc., to Northern Pacific Oil & Gas, Incorporated.
4. Doral Energy Corporation (hereinafter “Doral”), entered into an Agreement of Purchase and Sale effective June 3, 2010, in which Stearns agreed to assign to Doral Energy Corporation

all interests in oil and gas leases in New Mexico, including the New Mexico BA State Lease #001, #003, and #004.

5. The John R. Stearns Estate is the successor in interest to John R. Stearns, deceased, and Northern Pacific Oil and Gas, Inc. is the successor in interest to Doral, Cross Border Resources, Inc.
6. Northern Pacific Oil and Gas, Inc., (hereinafter "Northern"), operates the wells and facilities on the Lease as the successor to Cross Borders Resources, Inc. as recognized by the transfer on April 22, 2022 by the New Mexico Oil Conservation Division ("OCD").
7. Northern is the operator of record of the New Mexico BA State #001, New Mexico BA State #003, and New Mexico BA State #004, ("Wells") located on the Lease at the following locations:
 - a. New Mexico BA State #001 (API # 30-005-20944) NW/4 NW/4 of Section 16, Township 08S, Range 31E, Unit Letter D, Chaves County, New Mexico.
 - b. New Mexico BA State #003. (API # 30-005-21021) SW/4 NE/4 of Section 16, Township 08S, Range 31E, Unit Letter G, Chaves County, New Mexico; and
 - c. New Mexico BA State #004 (API # 30-005-21023) NE/4 SW/4 of Section 16, Township 08S, Range 31E, Unit Letter K, Chaves County, New Mexico.
8. The Wells were completed in the Siete; San Andres pool.
9. On August 8, 2019, the New Mexico Commissioner of Public Lands ("Commissioner") issued Stearns a notice of expiration of the Lease Assignment.

10. On or about December 19, 2021, Alan Barksdale, President of Cross Border Resources, Inc. assigned the 3 referenced wells to Northern and filed necessary documentation with the OCD.
11. Since the assignment from Cross Border Resources, Inc. to Northern, an agreement was presented to Stearns by the president of Northern, Santiago Garcia, wherein Northern agreed to plug the wells and to remediate the locations, dated December 6, 2022. Stearns was unable to sign the agreement because John R. Stearns dba Stearns was a sole proprietorship and Mr. Stearns passed away on November 26, 2022.
12. Since December 2022, Stearns attempted to contact Northern by means of phone calls and texts and through counsel of record who has since withdrawn as attorney of record, on multiple occasions to perform the agreed-upon remediation on the Lease.
13. To date, Stearns or the Estate of Stearns, as successor has received no response from Northern, Cross Border Resources, Inc., or any of the assignees referred to above. As a result, Northern is unavailable and unwilling to proceed with the agreement sent to Stearns on December 6, 2022.
14. Northern is not in good standing with the OCD.
15. As record title owner of the Wells, Stearns and its successor has the obligation under the Oil and Gas Act and Division regulations to properly plug and abandon the Wells.
16. Accordingly, Stearns intends to properly plug and abandon the above referenced wells.
17. Stearns agrees to remediate the well sites of the three (3) wells referenced above. The New Mexico BA State #002 (API #: 30-005-21004), which was previously plugged and abandoned by Stearns on March 13, 2008, will also be remediated by Stearns.

18. To prevent waste and protect correlative rights and comply with the SLO's requirements, Northern should be removed as operator of the Well by the OCD and Stearns Estate should be designated as operator of record of the Wells so that it may properly plug and abandon the Wells.

WHEREFORE, Applicant requests the OCD enter an order removing Northern as operator of the Wells and approve a change of operator to the Estate of John R. Stearns, deceased.

Respectfully submitted,

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