

Submit a Copy To Appropriate District
Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| | | |
|---|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | | WELL API NO. 30-015-35813 |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator Sellers&Fulton Oil, LLC | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator 422 W Main, Suite 5, Artesia, NM 88210 | | 7. Lease Name or Unit Agreement Name Dasher 16 State |
| 4. Well Location Unit Letter E : 1865 feet from the N line and 730 feet from the W line Section 16 Township 16S Range 30E NMPM County Eddy | | 8. Well Number #2 |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3210' GR | | 9. OGRID Number 371978 |
| | | 10. Pool name or Wildcat Henshaw; Queen- Grbg- SA |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| | | | |
|--|--|--|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input checked="" type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | | |
| CLOSED-LOOP SYSTEM <input type="checkbox"/> | | | |
| OTHER: <input type="checkbox"/> | | OTHER: <input type="checkbox"/> | |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

This well was previously operated by Sellers&Futon Oil, LLC. ConocoPhillips Company has taken responsibility for plugging and abandoning the well.

JMR Services, LLC respectfully proposes the attached NOI to P&A this well.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jeanette Barron TITLE Regulatory Coordinator DATE 02.14.25

Type or print name Jeanette Barron E-mail address: jeanette.barron@conocophillips.com PHONE: 575.748.6974

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

**Proposed P&A Procedure
Orphan Well Program
Dasher 16 State #2
API #30-015-35813
Unit E, 1865' FNL and 730' FWL Sec. 16, T16S, R30E
Eddy County, NM**

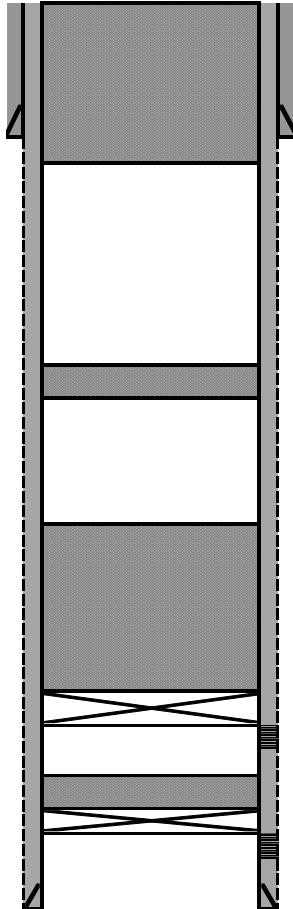
Note: All cement is to be Class C mixed at 14.8 ppg, yield 1.32 cu ft / sx. Cement volumes are based on inside capacities + 50' excess and outside capacities + 100% excess.

1. Hold Pre job meeting, comply with all NMOCD, BLM and environmental regulations.
2. MIRU P&A rig and equipment.
3. Check and record tubing, casing and bradenhead pressures.
4. Remove existing piping from casing valve, RU blow lines from casing valves and blow down casing pressure. Kill well as necessary. Ensure that well is dead or on a vacuum.
5. ND WH, NU BOP, function test BOP.
6. RIH and tag existing 5 ½" CIBP @ 3,300'.
7. Plug #1: Wolfcamp Perforation top: Spot 25 sxs cement from 3,300' to 3,110'.
8. RIH and set 5 1/2" CIBP and set at 2,780'. TOH.
9. MIRU logging truck. Run CBL log TOC to surface. Hold 600 psi on casing if possible. NOTE: Results of CBL may change the following plugs. Electronic copy of CBL to be sent to NMOCD Representatives.
10. RIH with tubing workstring. Drop ball valve down tubing and pressure test to 1000#. Pressure test casing to 500#. If casing does not test, then discuss with representatives for procedure change.
11. Plug 2: San Andres perforation and Queen formation top: With CIBP @ 2,780', spot 81 sxs cement w/ 2% CaCl from 2,780' to 2,050'. WOC & Tag. If tag is lower than 2,050' then discuss with representatives for procedure change.
12. Plug #3: Yates and B/Salt formations: Spot 25 sxs cement w/ 2% CaCl from 1,375' to 1,185'. WOC & Tag. If cement is lower than 1,185' contact representatives for procedure change.
13. Plug 4: Surface casing Shoe and T/Salt formation top: Spot 67 sxs cement from 595' and circulate to surface.
14. RD cementing equipment. Cut off wellhead, fill any exposed annulus with cement, as necessary. Install DHM.
15. Record GPS coordinates for P&A marker and the Final P&A Report. Photograph the P&A marker and attach to the report.
16. RDMO all rig and cement equipment. Assure that location is free of trash before moving off.
17. Send all reports and attachments will be uploaded to NMOCD website within 30 days of completion.

| (Orphan Well) Sellers&Fulton Oil, LLC | | | Proposed |
|---------------------------------------|--------------------|-----------|---------------------|
| Author: | Abby @ JMR | Well No. | #2 |
| Well Name | Dasher 16 State | API #: | 30-015-35813 |
| Field/Pool | Henshaw;Qn-Grbg-SA | Location: | 1865 FNL & 730' FWL |
| County | Eddy | | Sec 16, T16S, R30E |
| State | NM | GL: | 3808 |
| Spud Date | 8/14/2008 | | |

| Description | O.D. | Grade | Weight | Depth | Hole | Cmt Sx | TOC |
|-------------|-------|-------|--------|-------|-------|--------|--------|
| Surface Csg | 8 5/8 | J55 | 32# | 544 | 11 | 950 | Circ'd |
| Prod Csg | 5 1/2 | J55 | 15.5# | 3,614 | 7 7/8 | 800 | Circ'd |

| Formation | Top |
|------------|------|
| T/Salt | 255 |
| B/Salt | 1255 |
| Yates | 1325 |
| Queen | 2100 |
| San Andres | 2750 |
| | |
| | |
| | |



8 5/8 32# CSG @ 544
Hole Size: 11

Plug #4: Spot 67 sx cmt @ 595' & circulate to surface. (8 5/8" Shoe & T/Salt)

Plug #3: Spot 25 sx cmt w/ 2% CaCl @ 1,375-1,185'. WOC & Tag (Yates & B/Salt)

Plug #2: Set 5 1/2" CIBP @ 2,780'. Spot 81 sx cmt w/ 2% CaCl @ 2,780-2,050'.
WOC & Tag (San Andres & Queen)

Perfs @ 2,830-2,972'

Plug #1: Tag 5 1/2" CIBP @ 3,300'. Spot 25 sx cmt @ 3,300-3,110'.

5 1/2" CIBP @ 3,300' (0123/09)

Perfs @ 3,502-3,520' (Wolfcamp)

5 1/2 15.5# CSG @ 3,614
Hole Size: 7 7/8

32.9237785
-103.9832382

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan-Grisham
Governor

Melanie A. Kenderdine
Cabinet Secretary-Designate

Benjamin Shelton
Deputy Secretary (Acting)

Gerasimos Razatos, Division Director (Acting)
Oil Conservation Division



BY ELECTRONIC MAIL

Beth Ryan
Lead Counsel, New Mexico
COG Operating LLC
600 W. Illinois Ave
Midland, Texas 79701
Beth.Ryan@conocophillips.com

Re: Oil Conservation Division Authorization for COG Operating, LLC to Plug and Abandon Well(s)

Ms. Ryan:

The Oil Conservation Division ("OCD") received your request of January 24, 2025, requesting authorization for COG Operating, LLC ("COG"), to plug and abandon the following well: Dasher 16 State #2, API #30-015-35813. Sellers & Fulton, LLC, ("S&F") is the registered operator of these wells and COG is the leaseholder where the well is located. As the leaseholder, COG may be deemed a responsible operator for purposes of plugging and remediation activities or for indemnification of costs incurred by OCD for such activities.

On November 27, 2024, OCD issued Final Order No. R-23566 ("R-23566"). R-23566 setting forth plugging compliance deadlines to be met by S&F. That R-23566 is incorporated herein as though set forth in full.

OCD hereby authorizes COG, to plug and abandon the above-identified well on OCD's behalf pursuant to its authority under R-23566.

Please contact Assistant General Counsel, Christy Treviño at (505)-607-4524 or Christy.Trevino@emnrd.nm.gov, with questions, including the submission of plugging sundries, as OCD will not be transferring operatorship to you and will need to place the plugging sundries into the well files.

Regards,

Gerasimos Razatos
Director (Acting)

2/14/2025

Date

cc: EMNRD-OGC

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

**OIL CONSERVATION DIVISION,
PETITIONER**

v.

**SELLERS & FULTON OIL, LLC
RESPONDENT**

**CASE NO. 24905
ORDER NO. R-23566**

ORDER

This matter came before the Director of the New Mexico Oil Conservation Division (“Division” or “OCD”) on the Notice of Violation (“NOV”) dated on or about August 16, 2024, issued to Sellers & Fulton Oil, LLC OGRID #371978 (“Respondent”). The Division’s Hearing Examiner conducted a public hearing on November 21, 2024. The Director, having considered the testimony and evidence presented, and being otherwise fully advised in the premises **FINDS, CONCLUDES AND ORDERS:**

FINDINGS OF FACT

- 1) The Division has jurisdiction over the parties and the subject matter herein.
 - 2) On or about August 16, 2024, the Division issued a NOV, which alleged 3 categories of ongoing violations as demonstrated by OCD Ex.4:
 - a) Respondent is the operator of record of 36 inactive wells which the Division showed were not “plugged and abandoned” or placed into “temporary abandonment status.”
- OCD Ex. 3-A. Under 19.15.5.9(A)(4)(a) NMAC Respondent was not permitted to have more than two inactive wells out of compliance. 19.15.25.8 NMAC requires inactive

wells be plugged and abandoned or placed into approved temporary abandonment status.

- b) Respondent was in violation of 19.15.8.9 NMAC by lacking financial assurance for twenty wells. OCD Ex. 3-B.
 - c) Respondent was in violation of 19.15.7.24 NMAC by not filing the required monthly production reports (Form C-115). OCD Ex 3-C. Respondent last filed Form C-115 for any well in September of 2021.
- 3) The NOV outlined the following relief:
- a) Respondent shall plug and abandon all thirty-six wells listed in OCD Ex. 3-A within 30 days after the issuance of this Order or failing to do so, the Division would assume the liability,
 - b) Respondent's financial assurance is hereby forfeited,
 - c) Respondent's authority to transport from the thirty-six registered wells identified in OCD Ex. 3-A is hereby terminated, and
 - d) Respondent is hereby held civilly liable for violations of 19.15.5.9(A)(4)(a), 19.15.8.9 and 19.15.7.24 NMAC in the amount of \$89,100.00.
- 4) The NOV informed Respondent of OCD's informal resolution process. Respondent did contact the Division during the informal resolution period, however failed to provide any evidence that the alleged violations had not occurred.
- 5) Respondent did not file a prehearing statement to enter an appearance or otherwise present evidence pursuant to 19.15.5 NMAC.

- 6) On August 14, 2024, OCD filed and served the Docketing Notice and formally requested a hearing. Respondent did not answer the NOV in conformance with 19.15.5.10(E)(2)(b) NMAC.
- 7) The Division provided Respondent with notice of the November 7, 2024, hearing pursuant to 19.15.5.10 NMAC. The November 7, 2024 hearing was continued to November 21, 2024 due to inclement weather state office closure. Respondent was immediately informed of the date change of the hearing. Respondent offered no indication as to whether he would appear virtually or in person.
- 8) At the hybrid hearing (in-person at Pecos Hall in Santa Fe, NM and virtually through Microsoft Teams) the NOV was the first agenda item on November 21, 2024, and the Hearing Examiner announced the case several times providing Respondent with the opportunity to be heard. Respondent did not appear virtually or in person.
- 9) The Division presented the Affidavits of Nicholas Karns, Compliance Officer and Bond Administrator with the Division's Administrative and Compliance Bureau, and Sara Griego, OCD Law Clerk.
- 10) The Division provided evidence of notice of the Docketing Statement. OCD Ex. 5.
- 11) Eight Exhibits were admitted into evidence without objection in support of the NOV.
- 12) Mr. Karns, who was previously qualified as an expert in administrative compliance before the Division, provided the following evidence in support of the ongoing violations:
 - a) As of November 21, 2024, Respondent remained out of compliance with the inactive well requirements of 19.15.5.9(A)(4)(a) NMAC. Respondent was the registered

operator of 36 wells, all of which were inactive and not plugged and abandoned or placed in approved temporary abandonment status. OCD Ex. 3-A.

- b) Respondent remained out of compliance with 19.15.8.9 NMAC by lacking financial assurance for twenty wells. OCD Ex. 3-B.
 - c) Respondent remained out of compliance with 19.15.7.24 NMAC, because Respondent had not filed the required C-115 production reports since September 2021. OCD Ex 4-C.
- 13) The Oil and Gas Act provides that “[i]n assessing a penalty authorized by this section, the division shall take into account the seriousness of the violation, any good faith efforts to comply with the applicable requirements, any history of noncompliance under the Oil and Gas Act and other relevant factors.” NMSA 1978, § 70-2-31(C). OCD provided evidence that the penalties were reasonable and lawful. OCD Ex. 3-D.

CONCLUSIONS OF LAW

- 14) The Division met its burden to show by a preponderance of evidence that:
- a) Respondent has violated 19.15.5.9(A)(4)(a) NMAC by failing to plug and abandon 36 inactive wells.
 - b) Respondent has violated 19.15.8.9 NMAC by lacking financial assurance for twenty (20) of the subject wells.
 - c) Respondent has violated 19.15.7.24 NMAC by failing to submit the required C-115 forms for all subject wells.

- 15) The civil penalties calculated by the Division are lawful, reasonable under 19.15.5.10(B) NMAC, and supported by the evidence in the Administrative and Hearing Records.

ORDER

- 16) Respondent's authority to transport from subject wells is hereby suspended until such time as Respondent is compliant with this Order and the N.M. Oil and Gas Act.
- 17) Respondent shall plug and abandon all 36 listed in OCD Ex. 3-A no later than 30 days after issuance of this Order.
- 18) Respondent is hereby liable for civil penalties in the amount of \$89,100.00.
- 19) If Respondent fails to plug and abandon the subject wells as directed herein, the Division is hereby authorized to plug and abandon the wells and to forfeit the financial assurance for the wells. Such plugging activities may include necessary reclamation or remediation work associated with wells that have been partially plugged and abandoned, Respondent shall pay the excess costs to plug and abandon the wells no later than 30 days after actual or attempted service of the Division's written demand. If the excess costs to the Division are not received, the Division may seek indemnification.
- 20) The Division retains jurisdiction of this matter for the entry of such further orders as it may deem necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**GERASIMOS RAZATOS
ACTING DIRECTOR**

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 432404

CONDITIONS

| | |
|--|---|
| Operator: CONOCOPHILLIPS COMPANY 600 W. Illinois Avenue Midland, TX 79701 | OGRID: 217817 |
| | Action Number: 432404 |
| | Action Type: [C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| Created By | Condition | Condition Date |
|-------------|--|----------------|
| loren.diede | Please note that approval of this NOI is made provided that notice be made of several errors in the submission: 1. The previous operators are Sellers and Fulton Oil, LLC (not Sellers and Futon). 2. The Previously TAed perfs from 3502' to 3520' are San Andres perfs, not Wolfcamp as listed on the plugging procedure and wellbore diagram. | 2/24/2025 |
| loren.diede | Notify the OCD inspection supervisor via email 24 hours prior to beginning Plug & Abandon (P&A) operations. | 2/24/2025 |
| loren.diede | A Cement Bond Log (CBL) is required for all Plug & Abandons (P&A) unless a CBL is currently on file with the OCD that can be used to properly evaluate the cement behind the casing. | 2/24/2025 |
| loren.diede | Submit tif file of the CBL to NMOCD to be uploaded into the Well Log file. | 2/24/2025 |
| loren.diede | The well location is within the LPCH area is a below-grade P&A marker is required. | 2/24/2025 |
| loren.diede | Submit a photo and the GPS coordinates of the P&A marker with the final subsequent P&A report. | 2/24/2025 |