

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

IN RE SIMCOE LLC

NMOCD-ACO-2020-029

**AGREED COMPLIANCE ORDER**

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 SIMCOE LLC ("Operator") enter into this Agreed Compliance Order ("Order").

**I. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. OCD is charged with the administration and enforcement of the Act and the rules adopted thereunder and has jurisdiction over Operator and its wells in the state of New Mexico.
2. Operator is the operator of record under OGRID 329736 for the 82 wells ("Wells") in Exhibit A which have been shut-in or which will be shut-in due to economic conditions, and that are or will be inactive under 19.15.25 NMAC.
3. Operator has provided financial assurance for each Well in accordance with 19.15.8 NMAC.
4. Operator intends to restore production from the Wells upon the improvement of economic conditions.
5. OCD is authorized to impose sanctions for violation of the Oil and Gas Act and the implementing rules.
6. Operator requests this Order in order to avoid the imposition of sanctions with respect to the Wells, including 19.15.5.9 NMAC (wells in violation of 19.15.25 NMAC); 19.15.8.9(D) NMAC (inactive wells without sufficient financial assurance); and 19.15.25.12 NMAC (wells exceeding the limitation for wells in approved temporary abandonment status).
7. Operator admits the findings of fact and waives any right to appeal from this Order.

**II. ORDER**

8. No later than August 20, 2023, Operator shall take one of the following actions for each Well:
  - (a) restore the Well to production and file a C-115;

- (b) place the Well on approved temporary abandonment status in accordance with 19.15.25 NMAC; or
  - (c) Plug the Well in accordance with 19.15.25.10 NMAC and file a Form C-103.
- 9. OCD may extend the specified date for a Well in Exhibit A for an additional twelve (12) months for good cause shown.
- 10. Operator shall submit a report no later than twelve (12) months, twenty-four (24) months, and thirty-six (36) months after the date of issuance of this Order stating whether the Well has been restored to production, placed on approved temporary abandonment status, or plugged.
- 11. Operator shall maintain the financial assurance for each Well in accordance with 19.15.8 NMAC, including, no later than the specified date in Exhibit A, the applicable blanket bond or one well financial assurance required by 19.15.8.9(D) NMAC.
- 12. Operator shall conduct a Bradenhead test on each Well no later than twelve (12) months, twenty-four (24) months, and thirty-six (36) months after the date of issuance of this Order, and shall submit a compliance report for each test no later than thirty (30) days after such test.
- 13. If a Well appears to have a defective casing program or faultily cemented or corroded casing that will permit or may create underground waste or contamination of fresh waters, Operator shall give written notice to OCD within five (5) working days and proceed with diligence to use the appropriate method and means to eliminate the hazard. If the hazard of waste or contamination of fresh water cannot be eliminated, Operator shall properly plug and abandon the Well. 19.15.16.11 NMAC.
- 14. Operator shall submit a production report for each Well on or before the 15<sup>th</sup> day of the second month following the month of production in accordance with 19.15.7.24(B) NMAC.
- 15. No later than the thirty (30) days after the date of issuance of this Order, Operator shall send a report by electronic mail to OCD's Enforcement and Compliance Manager describing the amount of production for each Well in the last month prior to the shut-in date specified in Exhibit A.
- 16. Operator shall not transfer a Well to another operator unless approved in writing by OCD.
- 17. A Well that is restored to production shall be subject to each obligation stated herein for the duration of this Order regardless of its active or inactive status on the date that the obligation accrues.

18. A Well shall be classified as and shall remain in “shut in” status within the OCD data management system for the duration of this Order regardless of its active or inactive status.
19. If Operator fails to comply with this Order, it shall pay a stipulated penalty of \$250 for each day on which the failure to comply occurs.
20. If Operator fails to comply with this Order or the Well poses an imminent threat to the public health or environment, in addition to the stipulated penalties specified above, OCD may apply for an order to plug a Well and to forfeit the financial assurance for the Well.
21. OCD reserves the right to impose a sanction for any alleged violation not addressed in this Order.

**NEW MEXICO OIL CONSERVATION DIVISION**



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Adrienne Sandoval  
Director

Date: 8/18/2020

**SIMCOE LLC**



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Scott S. Quillin  
Attorney-in-Fact

Date: August 20, 2020

# EXHIBIT A

API #	WELL NAME / #	LEASE TYPE	WELL TYPE
30-045-35722	A L ELLIOTT B8 001H-FT	FEDERAL	GAS
30-045-26623	A L ELLIOTT G 001-DK	FEDERAL	GAS
30-045-24011	CRAWFORD GC B 001E-CH	FEE	GAS
30-045-32500	DAWSON GC 001S-FT	FEDERAL	GAS
30-045-20812	DAY A LS #012	FEDERAL	GAS
30-045-23585	FLETCHER 002-FT	FEDERAL	GAS
30-045-22347	FLORANCE 023A-MV	FEDERAL	GAS
30-045-11660	FLORANCE 059-PC	FEDERAL	GAS
30-045-20276	FLORANCE C LS 012-PC	FEDERAL	GAS
30-045-31947	FLORANCE GAS COM E #009B	FEDERAL	GAS
30-045-31963	FLORANCE R #008B	FEDERAL	GAS
30-045-27539	GARTNER GAS COM A #001	FEDERAL	GAS
30-045-07074	GCU 041 PC	FEDERAL	GAS
30-045-07044	GCU 055-FC/PC	FEDERAL	GAS
30-045-06920	GCU 062-PC	FEDERAL	GAS
30-045-07691	GCU 066	FEDERAL	GAS
30-045-07803	GCU 074-PC	FEDERAL	GAS
30-045-13075	GCU 085-DK	FEDERAL	GAS
30-045-24292	GCU 153E-DK	FEDERAL	GAS
30-045-24864	GCU 182E-PC	FEDERAL	GAS
30-045-11571	GCU 192-FT	TRIBAL	GAS
30-045-07667	GCU 197-DK	STATE	GAS
30-045-24737	GCU 197E-DK	STATE	GAS
30-045-25262	GCU 204E-PC	FEDERAL	GAS
30-045-23898	GCU 208E-DK	FEDERAL	GAS
30-045-11648	GCU 210	FEDERAL	GAS
30-045-11629	GCU 219-DK	FEDERAL	GAS
30-045-11684	GCU 226-FT	FEDERAL	GAS
30-045-11631	GCU 231-PC	TRIBAL	GAS
30-045-25137	GCU 239E-DK	TRIBAL	GAS

30-045-11690	GCU 244-FC/PC	FEDERAL	GAS
30-045-24005	GCU 301-PC	FEDERAL	GAS
30-045-24012	GCU 303-PC	TRIBAL	GAS
30-045-24625	GCU 321-PC	FEDERAL	GAS
30-045-28154	GCU 389-FT	FEDERAL	GAS
30-045-28309	GCU 390	FEDERAL	GAS
30-045-28234	GCU 395-FT	FEE	GAS
30-045-28310	GCU 396-FC	FEDERAL	GAS
30-045-28118	GCU 397-FC	STATE	GAS
30-045-28760	GCU 418-FT	FEDERAL	GAS
30-045-28414	GCU 500-PC	FEDERAL	GAS
30-045-28155	GCU 504-PC	FEDERAL	GAS
30-045-28067	GCU 506-PC	STATE	GAS
30-045-28331	GCU 507-PC	FEDERAL	GAS
30-045-28365	GCU 511	FEDERAL	GAS
30-045-29044	GCU 522-PC	FEDERAL	GAS
30-045-28774	GCU 526	FEDERAL	GAS
30-045-29077	GCU 528-PC	STATE	GAS
30-045-29032	GCU 532-PC	FEE	GAS
30-045-28733	GCU 533	FEDERAL	GAS
30-045-29068	GCU 538-FS/PC	FEDERAL	GAS
30-045-30595	GCU 556-PC	STATE	GAS
30-045-30679	GCU 580	FEDERAL	GAS
30-045-31620	GCU 597-FT	FEDERAL	GAS
30-045-21086	HARDIE LS 011-PC	FEDERAL	GAS
30-045-11721	HELEN JACKSON #006	FEDERAL	GAS
30-045-21038	HUGHES LS 020-PC	FEDERAL	GAS
30-045-23725	JAQUEZ GAS COM D #001E	FEE	GAS
30-045-26208	JENNAPAH GC A 001E-DK	FEDERAL	GAS
30-045-10338	KERNAGHAN B #004	FEDERAL	GAS
30-045-22023	LAWSON #001A	FEDERAL	GAS
30-045-20278	MCCULLEY LS 007-PC	FEDERAL	GAS
30-045-27519	NEAL A #001	FEDERAL	GAS
30-045-32409	NEBU 050E-DK	FEDERAL	GAS
30-045-32802	NEBU 231J-PC	FEDERAL	GAS
30-045-34319	NEBU 247	FEDERAL	GAS
30-045-34685	NEBU 256H-PC	FEDERAL	GAS
30-045-33212	NEBU 340	FEDERAL	GAS

30-045-34144	NEBU 346-DK	STATE	GAS
30-045-32412	NEBU 406A-FC	FEDERAL	GAS
30-039-24448	NEBU 477-FC	FEDERAL	GAS
30-045-34138	NEBU 488A-FC	FEDERAL	GAS
30-045-27705	NEBU 489-FC	FEE	GAS
30-045-33099	NEBU 492A-FC	FEDERAL	GAS
30-045-23813	PRICE 002-DK	FEDERAL	GAS
30-045-29030	STATE OF NM 002-PC	STATE	GAS
30-045-09207	STEWART LS #006	FEDERAL	GAS
30-045-29058	TALLANT 001-MV	FEDERAL	GAS
30-045-33203	THOMPSON LS 003S-FT	FEDERAL	GAS
30-045-22223	USSELMAN GC C 001-FT/PC	FEE	GAS
30-045-22682	W D HEATH B #001A	FEDERAL	GAS
30-045-32423	WARREN LS 004B-MV	FEDERAL	GAS

## SIMCOE LLC

		YEAR 1 REPORT		YEAR 2
LAST PRODUCTION (bbls or MCF)	LAST PRODUCTION MONTH / YEAR	Due	Actual	Due
JULY 2020 0 MCF, 0 OIL	APRIL 2018, 33 MCF			
JULY 2020 0 MCF, 0 OIL	APRIL 2020, 95 MCF			
JULY 2020 0 MCF, 0 OIL	DECEMBER 2019, 583 MCF			
JULY 2020 0 MCF, 0 OIL	NOVEMBER 2017, 1068 MCF			
JULY 2020 0 MCF, 0 OIL	OCTOBER 2018, 5 MCF			
JULY 2020 0 MCF, 0 OIL	FEBRUARY 2020, 13 MCF			
JULY 2020 0 MCF, 0 OIL	JULY 2019, 211 MCF			
JULY 2020 0 MCF, 0 OIL	APRIL 2020, 7 MCF			
JULY 2020 0 MCF, 0 OIL	MAY 2018, 93 MCF			
JULY 2020 0 MCF, 0 OIL	JANUARY 2018, 4 MCF			
JULY 2020 0 MCF, 0 OIL	NOVEMBER 2017, 709 MCF			
JULY 2020 0 MCF, 0 OIL	FEBRUARY 2018, 3 MCF			
JULY 2020 0 MCF, 0 OIL	APRIL 2018, 143 MCF			
JULY 2020 0 MCF, 0 OIL	JANUARY 2019, 224 MCF			
JULY 2020 0 MCF, 0 OIL	DECEMBER 2017, 405 MCF			
JULY 2020 0 MCF, 0 OIL	AUGUST 2018, 101 MCF			
JULY 2020 0 MCF, 0 OIL	JANUARY 2019, 66 MCF			
JULY 2020 0 MCF, 0 OIL	JUNE 2019, 6 MCF			
JULY 2020 0 MCF, 0 OIL	APRIL 2020, 7 MCF			
JULY 2020 0 MCF, 0 OIL	DECEMBER 2017, 169 MCF			
JULY 2020 0 MCF, 0 OIL	APRIL 2020, 255 MCF			
JULY 2020 0 MCF, 7 OIL	JULY 2019, 7 BBL OIL, JULY 2018, 6 MCF			
JULY 2020 0 MCF, 0 OIL	APRIL 2020, 6 MCF			
JULY 2020 0 MCF, 0 OIL	FEBRUARY 2019, 426 MCF			
JULY 2020 0 MCF, 0 OIL	FEBRUARY 2018, 4 MCF			
JULY 2020 0 MCF, 0 OIL	AUGUST 2018, 7 MCF			
JULY 2020 0 MCF, 0 OIL	NOVEMBER 2018, 6 MCF			
JULY 2020 0 MCF, 0 OIL	JANUARY 2019, 92 MCF			
JULY 2020 0 MCF, 0 OIL	FEBRUARY 2020, 55 MCF			
JULY 2020 0 MCF, 0 OIL	FEBRUARY 2018, 7 MCF			

JULY 2020 0 MCF, 0 OIL	SEPTEMBER 2018, 45 MCF
JULY 2020 0 MCF, 0 OIL	JANUARY 2018, 56 MCF
JULY 2020 0 MCF, 0 OIL	NOVEMBER 2017, 746 MCF
JULY 2020 0 MCF, 0 OIL	APRIL 2020, 89 MCF
JULY 2020 0 MCF, 0 OIL	NOVEMBER 2019, 1 MCF
JULY 2020 0 MCF, 0 OIL	DECEMBER 2017, 529 MCF
JULY 2020 0 MCF, 0 OIL	SEPTEMBER 2019, 204 MCF
JULY 2020 0 MCF, 0 OIL	JUNE 2019, 58 MCF
JULY 2020 0 MCF, 0 OIL	APRIL 2020, 9 MCF
JULY 2020 0 MCF, 0 OIL	JUNE 2018, 58 MCF
JULY 2020 0 MCF, 0 OIL	MARCH 2020, 8 MCF
JULY 2020 0 MCF, 0 OIL	APRIL 2020, 604 MCF
JULY 2020 0 MCF, 0 OIL	JANUARY 2018, 64 MCF
JULY 2020 0 MCF, 0 OIL	DECEMBER 2019, 1 MCF
JULY 2020 0 MCF, 0 OIL	JUNE 2018, 79 MCF
JULY 2020 0 MCF, 0 OIL	NOVEMBER 2017, 528 MCF
JULY 2020 0 MCF, 0 OIL	OCTOBER 2019, 82 MCF
JULY 2020 0 MCF, 0 OIL	APRIL 2020, 287 MCF
JULY 2020 0 MCF, 0 OIL	NOVEMBER 2018, 229 MCF
JULY 2020 0 MCF, 0 OIL	NOVEMBER 2017, 141 MCF
JULY 2020 0 MCF, 0 OIL	AUGUST 2019, 45 MCF
JULY 2020 0 MCF, 0 OIL	APRIL 2018, 24 MCF
JULY 2020 0 MCF, 0 OIL	APRIL 2018, 8 MCF
JULY 2020 0 MCF, 0 OIL	APRIL 2019, 48 MCF
JULY 2020 0 MCF, 0 OIL	NOVEMBER 2017, 1 MCF
JULY 2020 0 MCF, 0 OIL	MARCH 2018, 1 MCF
JULY 2020 0 MCF, 0 OIL	JANUARY 2018, 3 MCF
JULY 2020 0 MCF, 0 OIL	MARCH 2020, 35 MCF
JULY 2020 0 MCF, 0 OIL	APRIL 2020, 8 MCF
JULY 2020 0 MCF, 0 OIL	NOVEMBER 2017, 1081 MCF
JULY 2020 0 MCF, 0 OIL	MARCH 2018, 198 MCF
JULY 2020 0 MCF, 0 OIL	NOVEMBER 2019, 30 MCF
JULY 2020 0 MCF, 0 OIL	APRIL 2018, 1651 MCF
JULY 2020 0 MCF, 0 OIL	APRIL 2020, 9 MCF
JULY 2020 0 MCF, 0 OIL	JANUARY 2018, 2 MCF
JULY 2020 0 MCF, 0 OIL	FEBRUARY 2018, 2 MCF
JULY 2020 0 MCF, 0 OIL	MARCH 2020, 396 MCF
JULY 2020 0 MCF, 0 OIL	JUNE 2018, 9 MCF

JULY 2020 0 MCF, 0 OIL	APRIL 2020, 12 MCF
JULY 2020 0 MCF, 0 OIL	JANUARY 2018, 1 MCF
JULY 2020 0 MCF, 0 OIL	APRIL 2020, 8 MCF
JULY 2020 0 MCF, 0 OIL	AUGUST 2017, 204 MCF
JULY 2020 0 MCF, 0 OIL	DECEMBER 2017, 77 MCF
JULY 2020 0 MCF, 0 OIL	DECEMBER 2017, 261 MCF
JULY 2020 0 MCF, 0 OIL	APRIL 2020, 7 MCF
JULY 2020 0 MCF, 0 OIL	JANUARY 2020, 192 MCF
JULY 2020 0 MCF, 0 OIL	OCTOBER 2018, 5 MCF
JULY 2020 0 MCF, 0 OIL	APRIL 2020, 7 MCF
JULY 2020 0 MCF, 0 OIL	DECEMBER 2017, 1133 MCF
JULY 2020 0 MCF, 0 OIL	JULY 2019, 77 MCF
JULY 2020 0 MCF, 0 OIL	JANUARY 2019, 211 MCF
JULY 2020 0 MCF, 0 OIL	DECEMBER 2019, 7 MCF







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OIL CONSERVATION DIVISION**

**IN RE SIMCOE LLC**

**NMOCD-ACO-2020-029**

**AMENDMENT NO. 1 TO AGREED COMPLIANCE ORDER**

The Oil Conservation Division (“OCD”) and Simcoe LLC (“Operator”) enter into this Amendment No. 1 to the ACO (“ACO”) to be attached as Exhibit B. Except as provided below, the terms of the ACO remain in full force and effect.

Paragraph 8 of the ACO sets forth a deadline of August 20, 2023 for Operator to complete a series of objectives found in Paragraphs 8(a) through (c) that pertain to all wells listed in Exhibit A to the ACO. Paragraph 9 of the ACO allows the Parties to the ACO the ability to extend the deadline outlined in Paragraph 8 for an additional twelve (12) months, provided that Operator has shown good cause to OCD to justify such an extension.

On or about July 21, 2023, Operator contact OCD requesting a new ACO to extend the deadline imposed by the ACO, specifically due to the fact that Operator needs additional time to comply with one of the objectives outlined in Paragraphs 8(a) through (c) of the ACO. Based on a review of the records, Operator has a demonstrated history of compliance with the ACO since August 2020. It is OCD’s understanding that Operator will continue to plug wells such that Operator has demonstrated good cause to justify a performance deadline extension. Additionally, Simcoe and BLM confirmed that 17 of the 21 wells remaining to be plugged, temporarily abandoned, or brought back online are subject to BLM’s winter access restrictions starting on December 1, 2023 and ending on March 31, 2023.

Therefore, based on BLM's winter access restrictions and the negotiation between the Parties, the Parties hereby agree that the performance deadline set forth in Paragraphs 8(a) through (c) of the ACO that pertain to all wells listed in Exhibit A to the ACO is hereby extended for eleven (11) months, resulting in a new performance deadline of **July 1, 2024**. All other terms of the underlying ACOI remain in full force and effect.

**OIL CONSERVATION DIVISION**

  
\_\_\_\_\_  
Dylan Page  
Acting Director

Date: 10/23/23

**SIMCOE LLC**

  
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Scott Quillin  
Attorney-in-Fact

Date: 10/3/2023