

5. The OCD waived \$2000 of the \$3000 penalty that Operator was subject to under ACOI 207 for failing to bring three wells identified in ACOI 207 to compliance by December 1, 2009. Operator paid the \$1000 penalty.

6. The OCD decided to exercise its discretion and amend ACOI 207 to extend its terms through June 1, 2010, requiring Operator to return to compliance by that date at least three additional wells identified in the Order and file a compliance report by that date.

7. Operator filed a timely compliance report for the second period. The OCD verified that OCD records indicate that Operator returned the following two wells identified in the Order to compliance after June 1, 2010.

- Leigh COM #001 30-025-22541
- State NBF #001 30-025-20891

8. Operator is subject to a \$3000 penalty for failing to bring three additional wells identified in ACOI 207 to compliance by June 1, 2010. The OCD has waived \$1000 of the \$3000 penalty. Operator has submitted a check of \$2000 for the penalty.

CONCLUSIONS

1. Operator failed to meet its goal of returning at least three additional wells identified in the Order to compliance by June 1, 2010, failing by three wells.

2. The OCD should exercise its discretion and amend ACOI 207 to extend its terms through December 1, 2010, requiring Operator to return to compliance by that date at least three additional wells identified in the Order that are not identified in Findings Paragraphs 4 and 7, above, and file a compliance report by that date.

ORDER

1. Operator shall return to compliance by December 1, 2010 at least three additional wells identified in the Order that are not identified in Findings Paragraphs 4 and 7, above.

2. Operator shall file a written compliance report by December 1, 2010 identifying the wells returned to compliance in the third period, identifying each well returned to compliance, stating the date it was returned to compliance and describing how the well was returned to compliance (restored to production or other approved beneficial use, plugged wellbore, approved temporary abandonment status). The written compliance report must be mailed or e-mailed to the OCD's Enforcement and Compliance Manager (email: daniel.sanchez@state.nm.us) and Assistant General Counsel Sonny Swazo (email: sonny.swazo@state.nm.us) so that it is received by the compliance deadline of December 1, 2010.

3. The terms of ACOI 207 otherwise remain in effect.

Done at Santa Fe, New Mexico this 22nd day of June, 2010.

By: 
2 Mark Fesmire, P.E.
Director, Oil Conservation Division