

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

**APPLICATION OF NORDSTRAND ENGINEERING,
INC. TO REMOVE NORTHERN PACIFIC OIL AND
GAS, INC. AS OPERATOR OF RECORD FOR THE
BULL MOOSE 2 STATE COM #001H WELL
ROOSEVELT COUNTY, NEW MEXICO**

Case No. _____

APPLICATION

Nordstrand Engineering, Inc. (“Nordstrand” or “Applicant”) files this application pursuant to 19.15.9.9(B) NMAC, seeking an order for unilateral change in operator from Northern Pacific Oil and Gas, Inc. (“Northern Pacific”), OGRID No. 330352, to Nordstrand, OGRID No. 230757, for the Bull Moose 2 State Com #001H well, API# 30-041-20935 (“Well”) located in the S/2 of Section 2, T8S-R37E, Roosevelt County, New Mexico. In the alternative, Nordstrand asks that the Oil Conservation Division (“Division”) be authorized to plug and abandon the Well. In support of this application, Applicant states as follows:

1. Applicant is the lessee of record for New Mexico Oil and Gas Lease No. V0-8065-02 (“Lease”), on which the Well is located.
2. Applicant and Northern Pacific entered into an Assignment and Bill of Sale for the Lease in December 2020. No assignment of the Lease was submitted to or approved by the Commissioner of Public Lands before the Lease was cancelled, and Applicant retained record title to the Lease.
3. Northern Pacific is the operator of record for the Well.
4. The New Mexico State Land Office (“NMSLO”) notified Applicant that the Lease was cancelled on March 26, 2021.

5. On June 21, 2021, NMSLO requested that Applicant plug the Well and otherwise comply with its contractual, statutory, and regulatory obligations related to the Lease.

6. Subsequently, the Division approved a change of operator of record for the Well from Nordstrand to Northern Pacific.

7. In May 2022, NMSLO sent a letter to both Nordstrand and Northern Pacific concerning water and oil in the secondary containment around the tanks at the Well site.

8. In July 2022, Northern Pacific cleaned the water and oil out of the secondary containment and conducted repairs on some of the equipment on the site.

9. NMSLO has not received nominations to re-lease the acreage that is the subject of the Lease.

10. On November 2, 2022, NMSLO again requested that Nordstrand (or Northern Pacific) plug the Well and reclaim the site.

11. On February 14, 2023, the Commissioner of Public Lands initiated a lawsuit against Nordstrand and Northern Pacific in the case styled *Stephanie Garcia Richard, Commissioner of Public Lands of the State of New Mexico v. Nordstrand Engineering, Inc. and Northern Pacific Oil and Gas Inc.*, Case No. D-101-CV-2023-00360 (“Lawsuit”), seeking *inter alia* an injunction requiring Nordstrand and Northern Pacific to plug the Well and reclaim the site.

12. Thereafter, Northern Pacific informed Nordstrand that Northern Pacific would not plug the Well.

13. Nordstrand intends to plug the Well and reclaim the site and is currently engaged in negotiations with NMSLO to settle the Lawsuit in light of Nordstrand’s intention to satisfy its obligations under the Lease.

14. By letter sent via FedEx and email on April 10, 2023, Applicant requested that Northern Pacific, together with Applicant, submit a joint request for change of operator.

15. On April 10, 2023, Northern Pacific responded to Applicant by email, stating its refusal to submit a joint request for change of operator.

16. Upon approval of this Application, Applicant will obtain the necessary right of entry from the NMSLO, and will plug the Well and reclaim the site.

17. In order to prevent waste, protect correlative rights, and comply with NMSLO's requirements, Northern Pacific should be removed as operator of the Well by the Division and Nordstrand should be designated as operator of record for the Well so that it may plug the Well and reclaim the site. In the alternative, the Division should be authorized to plug the Well.

WHEREFORE, Applicant respectfully requests that the Division (1) set this matter for hearing on the June 1, 2023 docket; (2) grant this application to unilaterally change the operator of the Bull Moose 2 State Com #001H well from Northern Pacific to Nordstrand, and (3) provide any and all other relief to which Nordstrand is entitled. *See* 19.15.9.9(A) NMAC. In the alternative, Applicant asks that the Division be authorized to plug the Well.

Respectfully submitted,

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Application of Nordstrand Engineering, Inc. to Remove Northern Pacific Oil & Gas, Inc. as Operator of Record for the Bull Moose 2 State Com #001H Well: Applicant Nordstrand Engineering, Inc. (“Nordstrand”) seeks an order from the Division for unilateral change in operator from Northern Pacific Oil and Gas, Inc., OGRID No. 330352 (“Northern Pacific”), to Applicant, OGRID No. 230757, for the Bull Moose 2 State Com #001H well, API# 30-041-20935 (“Well”), located in the S/2 of Section 2, Township 8 South, Range 37 East, Roosevelt County, New Mexico. Nordstrand is the record title owner of State Oil and Gas Lease No. V0-8065-02, which has been cancelled. Northern Pacific is the operator of record. As operator of record, Northern Pacific is obligated to plug the Well, but is unavailable. Nordstrand intends to plug the Well. In the alternative, Applicant requests that the Division be authorized to plug the Well. The well is located approximately 6.5 miles northwest of Bledsoe, New Mexico.