

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

**APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC AND NEW MEXICO OIL
CORP. TO REMOVE BAR V BARB, LLC AS
OPERATOR OF RECORD OF THE
SOUTH LUCKY LAKE QUEEN UNIT #001A,
SOUTH LUCKY LAKE QUEEN UNIT #001, AND
SOUTH LUCKY LAKE QUEEN UNIT #002 WELLS,
CHAVES COUNTY, NEW MEXICO.**

**CASE NO.: 23729
ORDER NO.: R-23336**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through its Hearing Examiner on September 7, 2023, and after considering the testimony, evidence, and recommendations of the Hearing Officer and Technical Examiner, issues the following Order.

FINDINGS OF FACT

1. Permian Resources Operating, LLC (“Permian”) and New Mexico Oil Corporation (“NMOC”) submitted an application (“Application”) to remove Bar V Barb, LLC (“BVB”) as operator of record of the following wells (“the Wells”) and designate Permian as operator of record:
 - South Lucky Lake Queen Unit #001A (API: 30-005-60332) (Lease No. K0-5110-1)
 - South Lucky Lake Queen Unit #001 (API: 30-005-60360) (Lease No. L0-1894-1)
 - South Lucky Lake Queen Unit #002 (API: 30-005-60371) (Lease No. L0-1894-1)
2. Permian’s wholly owned subsidiary Read & Stevens is the record title owner of State Lease L0-1894-1 dated December 17, 1968.
3. NMOC is the record title owner of State Lease K0-5110-1 dated July 20, 1965.
4. BVB is the registered operator of record for the Wells with OCD.
5. Permian seeks to plug the Wells as the designated operator.
6. At the September 7, 2023, Hearing, Permian presented evidence by affidavit in support of its application which was admitted into evidence without objection.
7. The evidence shows that Permian made contact with Steve Oldfield (identified in OCD records as owner of BVB) who transferred his interest in BVB to Scott Standard in May 2019. Mr. Oldfield stated that he has no contact information for Scott Standard and is not

willing to plug and abandon the Wells or execute C-145s because he no longer has an interest in BVB.

8. The New Mexico Secretary of State Records show that BVB's corporate status has been revoked.
9. In 2021, BVB did not appear or answer the allegations contained in a Notice of Violation filed in Case No. 21900. The NOV alleged that BVB had fifteen inactive wells that had not been plugged and abandoned or placed in approved temporary abandonment status, and that BVB did not have sufficient financial assurance for the inactive wells.
10. Subsequently, the OCD revoked BVB's authority to transport from all wells and assessed civil penalties.
11. The evidence shows that Permian and NMOC are record title owners of the leases, and the New Mexico State Land Office has informed the owners that they are responsible for certain oil and gas operations on the leases, including remediation and ensuring wells on the lease are properly plugged and abandoned.

CONCLUSIONS OF LAW

12. Pursuant to 19.15.9.9.B NMAC, Permian must apply to the OCD for approval their Application to change the operator of the Wells without a joint application (a unilateral transfer).
13. OCD has jurisdiction to issue this Order pursuant to NMSA 1978 § 70-2-12.
14. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

ORDER

15. The Application to unilaterally remove BVB as Operator of Record of the Wells is hereby denied.
16. Permian and NMOC shall submit a request to OCD's Legal Director Jesse Tremaine requesting permission to plug and remediate the Wells as a non-Operator of Record.
17. Permian and NMOC shall obtain approval prior to commencing work.
18. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



GERASIMOS RAZATOS
DIRECTOR (Acting)
GR/jag

Date: 8/28/2024