

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE
OF CONSIDERING:**

**CASE NO. 15128
ORDER NO. R-13840**

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST CHARLES SEED, SUCCESSORS, HEIRS, AND ASSIGNS OF LEASE NO. SEED SECTION 30, FINDING THAT THE OPERATOR IS IN VIOLATION OF 19.15.25.8 NMAC AS TO NINE WELLS, REQUIRING OPERATOR TO BRING SAID WELLS INTO COMPLIANCE WITH 19.15.25.8 NMAC BY A DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE, DECLARING THE WELLS ABANDONED AND AUTHORIZING THE DIVISION TO PLUG THE WELLS IN LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on May 15, 2014, at Santa Fe, New Mexico, before Examiner Richard I. Ezeanyim.

NOW, on this 4th day of June, 2014, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) The Division seeks an order determining the operator or operators responsible for certain wells; finding the responsible operator(s) in violation of Division Rule 19.15.25.8 NMAC, and authorizing the Division to plug and abandon all the wells and forfeit the applicable financial assurances, if the responsible operator or operators fail to plug and abandon the wells.

(3) The Division named Charles Seed, of Seed State Lease 30, as respondent in this action.

(4) Charles Seed, of Seed State Lease 30, did not enter an appearance in this action.

The Division appeared at the hearing through legal counsel and presented the following testimony.

(5) Division records indicate that Charles Seed (“Operator”) is the sole proprietor and is the operator of record of the following **PRE-ONGARD** well Nos. 1 through 9 (“the subject wells”) located in Section 30, Township 18 South, Range 38 East, in Lea County, New Mexico

PRE-ONGARD Well No. 1	API No. 30-025-22994
PRE-ONGARD Well No. 2	API No. 30-025-22995
PRE-ONGARD Well No. 3	API No. 30-025-22996
PRE-ONGARD Well No. 4	API No. 30-025-22997
PRE-ONGARD Well No. 5	API No. 30-025-22998
PRE-ONGARD Well No. 6	API No. 30-025-22319
PRE-ONGARD Well No. 7	API No. 30-025-22320
PRE-ONGARD Well No. 8	API No. 30-025-22321
PRE-ONGARD Well No. 9	API No. 30-025-22322

(6) Charles Seed is not registered as an operator in New Mexico. He passed away on December 25, 2013.

(7) Subsection O of 19.15.2.7 NMAC defines “operator” as “a person who, duly authorized, is in charge of a lease’s development or a producing property’s operation, and who is in charge of a facility’s operation or management.”

(8) The Operator’s son, Chris Seed, has indicated he will not oppose the order.

(9) The Division presented evidence on the following violations:

Rule 19.15.25.8 NMAC requires an operator to plug and abandon or temporarily abandon a well in accordance with Division rules within 90 days after a period of one year of continuous inactivity. These wells have been inactive for a continuous period in excess of one year plus ninety days and are neither plugged and abandoned, nor on approved temporary abandonment status.

(10) NMSA 1978, Section 70-2-14(B) provides, in relevant part, “If any of the requirements of the Oil and Gas Act [70-2-1 NMSA 1978] or the rules promulgated pursuant to that act have not been complied with, the Oil Conservation Division, after notice and hearing, may order any well plugged and abandoned by the operator or surety or both in accordance with division rules.”

The Division concludes as follows:

(11) Charles Seed is in violation of Rule 19.15.25.8 NMAC (the inactive well rule) as to all the wells.

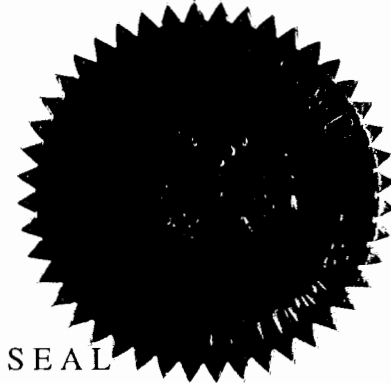
(12) Charles Seed is the operator of record for all nine wells, but is unable to comply with Rule 19.15.25.8.

IT IS THEREFORE ORDERED THAT:

(1) Effective as of the date of this order, the Division may plug and abandon the subject wells that are out of compliance with the indicated rule, remediate the well site, and forfeit the applicable financial assurance.

(2) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year designated above.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JAMI BAILEY
Director