

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

IN RE CONOCOPHILLIPS COMPANY

NMOCD-ACOI-402

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 ConocoPhillips Company ("Operator") enter into this Agreed Compliance Order ("Order").

FINDINGS OF FACT

I. GENERAL PROVISIONS

1. OCD is charged with the administration and enforcement of the Act and the rules adopted thereunder.
2. Operator is the operator of record under OGRID 217817 for 1282 wells in the state of New Mexico.
3. OCD has jurisdiction over Operator and these wells.
4. OCD is authorized to sanction Operator for the alleged violation(s) described below, including denial of registration (19.15.9.8(B) NMAC), denial of change of operator (19.15.9.9(C)(1) NMAC), denial or revocation of an injection permit (19.15.26.8(A)(2) NMAC), denial of an application for a drilling permit (19.15.14.10(A) NMAC), and denial of allowable and authorization to transport (19.15.16.20(A)(4) NMAC).
5. Operator requests the Order in order to avoid these sanctions for the alleged violation(s) described below.
6. Operator admits the findings of fact and waives any right to appeal from the Order.

II. ALLEGED VIOLATIONS

A. INACTIVE WELLS

7. Pursuant to 19.15.5.9(A)(4) NMAC, Operator shall not have more than **10** wells that are out of compliance with 19.15.25.8 NMAC, and that are not subject to an agreed compliance order setting a schedule for bringing the wells into compliance.

8. Operator has or will have **33** wells that are out of compliance or will soon be out of compliance with 19.15.25.8 NMAC, and that are not subject to an agreed compliance order setting a schedule for bringing the wells into compliance. *See* Exhibit A.

B. FINANCIAL ASSURANCE

9. Pursuant to 19.15.8.9 NMAC, Operator shall provide a specified amount of financial assurance for active and inactive wells.
10. Operator failed to provide financial assurance in the specified amount for the wells identified in Exhibit A.

C. PRODUCTION REPORTS

11. Pursuant to 19.15.57.24(B) NMAC, Operator shall submit a production report on or before the 15th day of the second month following the month of production.
12. Operator failed to submit a production report for the months of _____ for the wells identified in Exhibit B.

III. ORDER

A. INACTIVE WELLS

1. No later than **January 31, 2022**, Operator shall take one of the following actions on no less than **twenty (20)** of the wells identified in Exhibit A, over the next twelve (12) months:
 - (a) restore the well to production and file a C-115;
 - (b) Plug the well in accordance with 19.15.25.10 NMAC and file a C-103; or
 - (c) place the well on approved temporary abandonment status in accordance with 19.15.25 NMAC.
2. If Operator fails to comply with preceding paragraph for a well identified in Exhibit A, the well shall be deemed to be out of compliance with 19.15.25.8 NMAC, and not subject to an agreed compliance order setting a schedule for bringing the wells into compliance.
3. Operator shall not transfer to another operator a well identified on Exhibit A unless approved in writing by OCD.
4. No later than the **15th** day of each month following the entry of this Order, Operator shall file a report describing the action taken for each well identified in Exhibit A and such other

information as OCD may request for time to time. The report shall be sent by first class or electronic mail to OCD's Enforcement and Compliance Manager.

B. FINANCIAL ASSURANCE

5. No later than _____, Operator shall provide financial assurance in the specified amount for each well identified in Exhibit A.

C. PRODUCTION REPORTS

6. No later than _____, Operator shall file the production reports for the wells identified in Exhibit B.

D. ENFORCEMENT

7. If Operator fails to comply with the Order, OCD is authorized to enforce the Order pursuant to 19.15.5.10 NMAC.

8. If Operator fails to comply with Sections II.A or II.B the Order with respect to a well identified in Exhibit A, such well shall be considered to be out of compliance with 19.15.25.8 NMAC, and not subject to an agreed compliance order setting a schedule for bringing the wells into compliance.

9. If Operator fails to comply with Section III, it shall pay a stipulated penalty from the date compliance is required until the date on which it demonstrates compliance:

A(1) \$100 per well per day

A(4) \$50 per report per day

B \$50 per well per day

C \$50 per report per day

10. Notwithstanding the foregoing provisions, OCD reserves the right to apply for authorization to plug a well identified in Exhibit A and to forfeit the applicable financial assurance if the well poses an imminent threat to the public health or environment.
11. OCD reserves the right to sanction Operator for any alleged violation not addressed in this Order.

NEW MEXICO OIL CONSERVATION DIVISION



Adrienne Sandoval
Director

Date: 1/28/2021

Operator – ConocoPhillips Company



NAME: Jennifer Dixon

Date: 1/27/21

POSITION: Supervisor, Regulatory BLM and Existing Development

Exhibit A to Agreed Compliance Order for ConocoPhillips Company

ConocoPhillips Company, Lea County New Mexico Shut-in Wells

API#	Well Name/#	Lease Type	Well Type	Last Produced	15 mo inactive	1 st Test	2 nd Test
3002500636	Baish B 003	F	O	July-2019	Oct-2020		
3002500690	Pearl B 017	F	O	Oct-2019	Jan-2021		
3002544141	Zeppo 5 Federal Com 25H	F	O	Dec-2019	Mar-2021		
3001525962	JAMES A #005	S	O	Oct-2014	Jan-2021		
3002539351	MCA UNIT #478	F	I	Oct-2019	Jan-2021		
3002520868	EVGSAU 3456-404	S	O	Nov-2019	Feb-2021		
3002521011	VGEU 26-02	S	O	Nov-2019	Feb-2021		
3002520820	VGEU 37-04	S	O	Nov-2019	Feb-2021		
3002520527	VACUUM ABO UNIT #079	S	O	Mar-2014	Mar-2021		
3002527279	EVGSAU #003	S	O	Nov-2019	Feb-2021		
3002502909	EVGSAU #008	S	O	Apr-2016	Mar-2021		
3002502916	EVGSAU #013	S	O	Nov-2019	Feb-2021		
3002526681	EVGSAU #006	S	I	Feb-2019	May-2020		
3002540840	BUCK 17 FEDERAL #005H	F	O	Oct-2019	Jan-2021		
3002542691	VACUUM GLORIETA EAST UNIT #224H	S	O	Apr-2016	Mar-2021		
3002520854	VACUUM GLORIETA EAST UNIT #001	S	O	Nov-2019	Feb-2021		
3002520846	VACUUM GLORIETA EAST UNIT #001	S	O	Aug-2019	Nov-2020		
3002542104	VACUUM GLORIETA EAST UNIT #114H	S	O	Jul-2017	Mar-2021		
3002502882	EVGSAU #041	S	O	Oct-2015	Mar-2021		
3002534583	TOMAHAWK 19 STATE #001	S	O	Nov-2019	Mar-2021		
3002508547	VACUUM ABO UNIT #072	S	I	Jan-2019	Apr-2021		
3002521223	BRITT B #024	F	O	Feb-2020	May-2021		
3002507832	SEM #050	F	O	Feb-2020	May-2021		
3002525419	SEMU BTB #097	F	O	Feb-2020	May-2021		
3002535538	SEMU BTB #157	F	O	Feb-2020	May-2021		
3002527289	SEMU SKAGGS B #120	F	O	Feb-2020	May-2021		
3002501566	COCKBURN B STATE #002	S	O	Jun-2014	Jun-2021		
3002540282	WARREN UNIT BLINEBRY TUBB WF #344	F	O	Feb-2020	May-2021		
3002540431	BUCK 20 FEDERAL #001H	F	O	Mar-2020	Jun-2021		
3002540922	PADUCA BREAKS 32 26 32 STATE #001H	S	G	May-2015	Jul-2021		
3001526510	JAMES A #011	S	O	Mar-2020	Jun-2021		
3001526408	LIVINGSTON RIDGE FEDERAL #006	F	O	Mar-2020	Jun-2021		
3002525539	Pearl B #005	F	O	Feb-2020	May-2021		

Well Inactive Date Return to Compliance Date Test Type Date test required.

By: _____
Title: _____