

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

IN RE EXTEX OPERATING COMPANY

CASE NO. UNASSIGNED

STIPULATED FINAL ORDER

Pursuant to the New Mexico Oil and Gas Act ("Act"), NMSA 1978, Section 70-2-1, *et seq.*, and 19.15.5.10(C) NMAC, the Director of the Oil Conservation Division ("OCD") and Extex Operating Company, OGRID #330423 ("Extex") enter into this Stipulated Final Order ("Order") to resolve the above-referenced matter.

1. OCD is charged with the administration and enforcement of the Act and the implementing rules and has jurisdiction to regulate Extex's wells in the state of New Mexico.

2. Extex is the operator of record for the wells identified in Exhibit A.

3. On May 19, 2022, OCD issued a Notice of Violation ("NOV") to Extex alleging Extex exceeded the number of inactive wells allowed by 19.15.5.9(A)(4)(b).

4. OCD subsequently identified additional inactive wells, which Extex agreed to address as part of this Order.

5. On June 3, 2022, Extex requested informal resolution of the NOV.

6. Extex admitted the alleged violations.

7. To resolve the alleged violations, Extex agrees that:

(a) No later than the specified date, unless extended upon request of Extex for good cause shown, Extex shall return to production each well identified in the column "Return to Production By" in Exhibit A and give OCD written notice by electronic mail.

(b) No later than the specified date, unless extended upon request of Extex for good cause shown, Extex shall submit to OCD Permitting an approvable C-103Q for each well

identified in the column "P&A and Release By" in Exhibit A, and give OCD written notice by electronic mail.

8. Written notice required by paragraph 9 shall be given to OCD at the following electronic mail address: Rob.Jackson@state.nm.us.

9. If Extex complies with this Stipulated Final Order, OCD shall abate all of the civil penalties.

10. If Extex fails to complete an action specified in paragraph 7, then Extex shall pay a stipulated penalty of \$100.00 for each day until it completes the action.

11. If Extex fails to pay the stipulated penalty or portion thereof no later than 30 days after service of OCD's written demand, it shall pay interest on the stipulated penalty or unpaid portion thereof until paid in full at the interest rate of 8.75 percent as provided in NMSA 1978, § 56-8-4(A).

12. OCD reserves the right to revoke the authorization to transport and require a well to be plugged and abandoned if Extex fails to complete an action specified in paragraph 8 more than 90 days after the specified date in Exhibit A or, after the date as extended by OCD for good cause shown.

13. Extex admits OCD's jurisdiction to file the NOV, consent to the relief specified herein, and waive the right of review by the Oil Conservation Commission.

14. The persons executing this Order represent that they have the requisite authority to bind their respective parties and such representation shall be legally sufficient evidence of their actual or apparent authority.

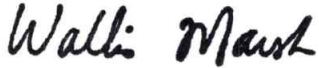
OIL CONSERVATION DIVISION



Adrienne Sandoval
Director

Date: 9/6/2022

EXTEX OPERATING COMPANY



Wallis Marsh

Date: 8/11/2022

Operator Name:		Extex Operating Company
Operator OGRID:		330423
ACOI submittal Date:		
ACOI Approval Date:		
Total Number of Non-Compliant Wells:		
Number of Wells per month brought into production or plugged:		
ACOI # : (Assigned by OCD)		
List of Noncompliant Wells		
API	Well Name/Number	Plug, Produce, TA Extension, Active
30-015-32365	AOUDAD STATE #001	Produce
30-025-30090	COLE 25 STATE #001	Active
30-015-32583	COYOTE STATE #003Y	Produce
30-015-32562	COYOTE STATE #004	Produce
30-025-36455	FOX FEDERAL #007	TA Extension
30-025-36456	FOX FEDERAL #009	Active
30-025-34837	GRAY HACKLE PEACOCK #001	Produce
30-025-30323	INCA FEDERAL #008	TA Extension
30-025-09748	JALMAT YATES UNIT #002	Active
30-025-27019	JALMAT YATES UNIT #003	Active
30-025-26403	JALMAT YATES UNIT #004	Active
30-025-09747	JALMAT YATES UNIT #007	Active
30-025-27020	JALMAT YATES UNIT #008	Active
30-025-26404	JALMAT YATES UNIT #009	Active

30-025-26896	JALMAT YATES UNIT #011	Active
30-025-09767	JALMAT YATES UNIT #012	Produce
30-025-26869	JALMAT YATES UNIT #014	Active
30-025-26405	JALMAT YATES UNIT #015	Active
30-025-11652	JALMAT YATES UNIT #016	Active
30-025-11648	JALMAT YATES UNIT #017	Active
30-025-26897	JALMAT YATES UNIT #018	Active
30-025-26406	JALMAT YATES UNIT #019	Active
30-025-26407	JALMAT YATES UNIT #020	Active
30-025-09769	JALMAT YATES UNIT #021	Active
30-025-09766	JALMAT YATES UNIT #022	Active
30-025-11649	JALMAT YATES UNIT #023	Produce
30-025-11653	JALMAT YATES UNIT #024	Produce
30-025-26408	JALMAT YATES UNIT #025	Active
30-025-26871	JALMAT YATES UNIT #027	Active
30-025-26872	JALMAT YATES UNIT #028	Active
30-025-11651	JALMAT YATES UNIT #029	Active
30-025-11654	JALMAT YATES UNIT #030	Active
30-025-26409	JALMAT YATES UNIT #031	Active
30-025-29148	JALMAT YATES UNIT #032	Active
30-025-29990	JALMAT YATES UNIT #033	Active
30-015-27025	JOHNSON A FEDERAL #005	Active
30-015-25929	JOHNSON B FEDERAL A/C 1 #007	Produce

30-015-05557	JOHNSON B FEDERAL A\C 2 #002	Active
30-005-27950	MESCALERO SPRINGS STATE COM #002	TA Extension
30-015-26830	MOLLY STATE #002	Active
30-015-26831	MOLLY STATE #003	Active
30-025-29769	N H 5 FEDERAL #001	Produce
30-025-24797	NEW MEXICO 8 STATE #003	TA Extension
30-015-34422	NILE STATE 22 COM #002H	TA Extension
30-025-36325	PANTHER FEDERAL #004	TA Extension
30-025-36362	PEARSALL AX #006	Produce
30-025-36364	PEARSALL AX #008	TA Extension
30-025-30696	PEARSALL BX #004	TA Extension
30-025-36685	TRES PAPALOTES 4 #003	TA Extension

Exhibit A

Date of plugging or RTP in 2022	Plug, RTP, MIT Test by End of Year (Y/N)	C-103 Filed (Y/N)	Date of Last Production
	Y		12/1/2015
Interanl Reporting Issue - Well never Inactive, resolving now			3/1/2021
	Y		7/1/2018
	Y		3/1/2019
	Y	Y	3/1/2019
6/1/2022			6/1/2020
	Y		10/1/2019
	Y	Y	7/1/2018
6/1/2022			5/1/2020
6/1/2022			3/1/2021
6/1/2022			3/1/2021
6/1/2022			4/1/2020
6/1/2022			2/1/2021
6/1/2022			3/1/2021

6/1/2022			2/1/2021
	Y		4/1/2020
6/1/2022			3/1/2021
6/1/2022			2/1/2021
6/1/2022			1/1/2020
6/1/2022			4/1/2020
6/1/2022			3/1/2021
6/1/2022			3/1/2021
6/1/2022			2/1/2021
6/1/2022			1/1/2020
6/1/2022			4/1/2020
	Y		4/1/2020
	Y		4/1/2020
6/1/2022			7/1/2020
6/1/2022			3/1/2021
6/1/2022			2/1/2021
6/1/2022			4/1/2020
6/1/2022			5/1/2020
6/1/2022			2/1/2021
6/1/2022			1/1/2020
6/1/2022			4/1/2020
Interanl Reporting Issue - Well never Inactive, resolving now			3/1/2021
			6/1/2020

Interanl Reporting Issue - Well never Inactive, resolving now			3/1/2021
	Y	Y	2/1/2013
6/1/2022			3/1/2020
6/1/2022			1/1/2021
			10/1/2019
	Y	Y	3/1/2013
	Y	Y	11/1/2014
	Y	Y	4/1/2019
			3/1/2020
	Y	Y	4/1/2019
	Y	Y	5/1/2019
	Y	Y	7/1/2016

[illegible]

[illegible]

[illegible]