

RECEIVED OCD

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

2 A 11: 16

NMOCD – ACOI- 2016-006

IN THE MATTER OF BREITBURN OPERATING, L.P.

INACTIVE WELL
AGREED COMPLIANCE ORDER

Pursuant to the New Mexico Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38 as amended (Act), and OCD rules, the Director of the Oil Conservation Division (OCD) and Breitburn Operating, L.P. (Operator), enter into this Agreed Compliance Order (Order or ACOI) under which Operator agrees to the schedule and procedures provided in this Order for bringing its wells into compliance, and understands that the OCD may seek additional enforcement of this Order should the Operator fail to meet the deadlines established herein.

FINDINGS

1. The OCD is the state division charged with administration and enforcement of the Act, and rules and orders adopted pursuant to the Act.
2. Operator is a Company doing business in the State of New Mexico and is registered with the OCD under Oil and Gas Reporting Identification (OGRID) No. 370080.
3. Operator is the operator of record under OGRID 370080 for the wells identified in Exhibit "A", attached.
4. 19.15.25.8 NMAC states, in relevant part:

"A. The operator of wells drilled for oil or gas or services wells including seismic, core, exploration or injection wells, whether cased or uncased, shall plug the wells as Subsection B of 19.15.25.8 NMAC requires.

B. The operator shall either properly plug and abandon a well or place the well in approved temporary abandonment in accordance with 19.15.25 NMAC within 90 days after:

...

(3) a period of one year in which a well has been continuously inactive."
5. The wells identified in Exhibit "A"
 - a. have been (or soon will be) continuously inactive for a period of one year plus 90 days;
 - b. are not plugged or abandoned in accordance with 19.15.25.9 NMAC through 19.15.25.11 NMAC; and

- c. are not in approved temporary abandonment status in accordance with 19.15.25.12 NMAC through 19.15.25.14 NMAC.
6. *(Use only if they have enough wells not in compliance with 19.15.25.8 NMAC to be out of compliance with 19.15.5.9 NMAC)* As the operator of record of _____ wells, to be in compliance with 19.15.5.9.A(4) NMAC, Operator may have no more than _____ wells out of compliance with 19.15.25.8 NMAC. See 19.15.5.9.A(4) NMAC.
7. Pursuant to 19.15.5.10.E NMAC, the OCD and Operator wish to enter into this ACOI to resolve violations of the Act and its rules.

CONCLUSIONS

1. The OCD has jurisdiction over the parties and subject matter in this proceeding.
2. The wells identified in Exhibit "A" are out of compliance, or soon will be out of compliance, with 19.15.25.8 NMAC.
3. As Operator of the wells identified in Exhibit "A", Operator is responsible for bringing those wells into compliance with 19.15.25.8 NMAC.
4. The OCD and Operator are entering into this ACOI, which sets a schedule for Operator to return the wells identified in Exhibit "A" to compliance.

ORDER

1. Operator agrees to bring the wells listed in Exhibit "A" into compliance with 19.15.25.8 NMAC within 36 months following the date the well became inactive as defined by 19.15.25.8 NMAC, and is provided in Exhibit "A", by either:
 - a. restoring the well to production or other OCD-approved beneficial use and filing a C-115 documenting such production or use;
 - b. causing the well to be plugged and abandoned in accordance with 19.15.25.10 NMAC and filing the C-105 as provided in 19.15.25.11 NMAC;
 - c. or placing the well in approved temporary abandonment pursuant to 15.15.25 NMAC.
2. Operator also agrees that it will perform a test for each well on Exhibit "A" one year from the effective date of this Order, and then again two years from the effective date of this Order for each well in Exhibit "A", and shall provide results of each test to OCD's Enforcement and Compliance Manager at 1220 S. St. Francis Drive, Santa Fe, NM 87505 within 30 days of completion of the test.
3. If Operator has additional wells that become out of compliance, or will soon be out of compliance, with 19.15.25.8 NMAC, Exhibit "A" may be amended to include such wells if the OCD approves the amendment. For the additional wells, Operator

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shall conduct the tests required in Ordering Paragraph 2 above on or before the dates specified in Exhibit "A".

4. If the Operator returns a well to compliance with 19.15.25.8 NMAC the well shall no longer be considered part of Exhibit "A".
5. Operator shall file a compliance report identifying each well returned to compliance, stating the date it was returned to compliance, and describing the work performed to return the well to compliance, in addition to any other forms or documentation required by OCD rules for the work performed. The written compliance report must be mailed to the attention of OCD's Enforcement and Compliance Manager and to the Office of General Counsel at 1220 S. St. Francis Drive, Santa Fe, NM 87505, so that it is **received within 10 business days** after return to compliance.
6. By signing this Order, Operator expressly:
 - a. acknowledges the correctness of the Findings and Conclusions set forth in this Order;
 - b. agrees to meet the deadlines established in Ordering Paragraphs 1 through 5 above;
 - c. agrees to perform the tests and submit test results as required in Ordering Paragraph 2;
 - d. agrees to submit compliance reports as required in Ordering Paragraph 5;
 - e. waives any right, pursuant to the Oil and Gas Act to an appeal from this Order, or to a hearing either prior to or subsequent to the entry of this Order regarding the matters resolved hereby; and
 - f. agrees that the Order may be enforced by OCD or Oil Conservation Commission Order, by suit or otherwise to the same extent and with the same effect as a final Order of the OCD or Oil Conservation Commission entered after notice and hearing in accordance with all terms and provisions of the Oil and Gas Act.
7. Operator understands that if it fails to meet the terms of this Order, the OCD may seek enforcement pursuant to the New Mexico Oil and Gas Act, including monetary penalties as authorized under NMSA 1978, § 70-2-31.
8. If a well poses a risk relating to the conservation of oil and gas or the protection of public health and the environment, the OCD reserves the right to file an application for hearing to require Operator to plug any well identified in Exhibit "A", or if the Operator fails to plug the well to obtain authority to plug the well and forfeit the applicable financial assurance.

9. Operator understands and agrees that, except as expressly provided in this Order, nothing in this Order exempts Operator from complying with all statutes, rules, and orders Operator is otherwise subject to, and the failure to comply with any applicable statute(s), rule(s), and/or order(s) may result in OCD pursuing any remedies available under the law. Further, Operator's failure to comply with other applicable statute(s), rule(s), and/or order(s) may, in OCD's sole discretion, result in termination of this Order.

Done at Santa Fe, New Mexico this 2nd day of May, 2016

By: David Catanach
David Catanach
Director, Oil Conservation Division

ACCEPTANCE

Breitburn Operating, L.P. hereby accepts the foregoing Order, and agrees to all of the terms and provisions set forth in that Order.

By: Jeanie McMillan
(Please print name) Jeanie McMillan
Title: REGULATORY MANAGER
Date: 4-28-2016

EXHIBIT "A"

BREITBURN OPERATING, L. P., NEW MEXICO SHUT IN WELLS								
API #	WELL NAME / #	LEASE	WELL	LAST PROD	15 MO SINCE	1st TEST	2nd TEST	3 YR + 15 MONTH
		TYPE	TYPE		LAST PROD			SINCE LAST PROD
30-015-29149	State 647 AC 711 #134	S	O	Nov-14	Feb-16	Feb-17	Feb-18	Feb-19
30-015-01826	Dunn B Federal #021	F	O	Mar-15	Jun-17	Jun-18	Jun-19	Jun-20
30-015-01828	Dunn B Federal #026	F	O	Mar-15	Jun-17	Jun-18	Jun-19	Jun-20
30-015-10084	State 647 AC 721 #199	S	O	Mar-15	Jun-17	Jun-18	Jun-19	Jun-20
30-015-10314	State 647 AC 721 #201	S	O	Mar-15	Jun-17	Jun-18	Jun-19	Jun-20
30-015-10918	State 648 #002	S	O	Mar-15	Jun-17	Jun-18	Jun-19	Jun-20
30-025-08662	Cone Jalmat Yates Pool Unit #904	S	O	Apr-15	Jul-17	Jul-18	Jul-19	Jul-20
30-021-20558	Libby Minerals LLC 1931 #052	P	C	Apr-15	Jul-17	Jul-18	Jul-19	Jul-20
30-021-20559	Libby Minerals LLC 1931 #082	P	C	Apr-15	Jul-17	Jul-18	Jul-19	Jul-20
30-021-20568	Libby Minerals LLC 2031 #082	P	C	Apr-15	Jul-17	Jul-18	Jul-19	Jul-20
30-021-20616	Libby Ranch LLC 2031 #101	P	C	Apr-15	Jul-17	Jul-18	Jul-19	Jul-20
30-015-01856	State 14 B #004	S	O	Apr-15	Jul-17	Jul-18	Jul-19	Jul-20
30-015-01798	Artesia Unit #055	S	O	May-15	Aug-17	Aug-18	Aug-19	Aug-20
30-025-08639	Cone Jalmat Yates Pool Unit #501	S	O	May-15	Aug-17	Aug-18	Aug-19	Aug-20
30-025-08666	Cone Jalmat Yates Pool Unit #704	S	O	May-15	Aug-17	Aug-18	Aug-19	Aug-20
30-015-01821	Dunn B Federal #003	F	O	Jun-15	Sep-17	Sep-18	Sep-19	Sep-20
30-025-08580	Jalmat Field Yates Sand Unit #103	S	O	Jul-15	Oct-17	Oct-18	Oct-19	Oct-20
30-015-01776	Artesia Unit #041	S	O	Aug-15	Nov-17	Nov-18	Nov-19	Nov-20
30-015-24157	Conoco 7 State #011	S	O	Aug-15	Nov-17	Nov-18	Nov-19	Nov-20
30-021-20603	Libby Minerals LLC 1931 #092	P	C	Aug-15	Nov-17	Nov-18	Nov-19	Nov-20
30-015-10538	State 647 AC 731 #204	S	O	Aug-15	Nov-17	Nov-18	Nov-19	Nov-20
30-015-29076	State 647 AC 731 #206	S	O	Aug-15	Nov-17	Nov-18	Nov-19	Nov-20
30-025-36862	Cone Jalmat Yates Pool Unit #200	S	O	Sep-15	Dec-17	Dec-18	Dec-19	Dec-20
30-021-20606	Libby Minerals LLC 1931 #103	P	C	Sep-15	Dec-17	Dec-18	Dec-19	Dec-20
30-021-20659	Candelerio 1928 10 #001	P	C	Oct-15	Jan-17	Jan-18	Jan-19	Jan-20
30-021-20587	Lewis 1928 02 #001	P	C	Oct-15	Jan-17	Jan-18	Jan-19	Jan-20
30-021-20634	Lewis 2028 33 #001	P	C	Oct-15	Jan-17	Jan-18	Jan-19	Jan-20
30-021-20578	Libby Minerals LLC 2032 #231	P	C	Oct-15	Jan-17	Jan-18	Jan-19	Jan-20
30-015-01880	State E 1286 #126	S	O	Oct-15	Jan-17	Jan-18	Jan-19	Jan-20
30-021-20563	Libby Minerals LLC 1931 #091K	P	C	Nov-15	Feb-17	Feb-18	Feb-19	Feb-20
30-021-20584	Libby Minerals LLC 1931 #141F	P	C	Nov-15	Feb-17	Feb-18	Feb-19	Feb-20
30-021-20565	Libby Minerals LLC 1931 #162	P	C	Nov-15	Feb-17	Feb-18	Feb-19	Feb-20
30-021-20581	Libby Minerals LLC 1931 #271	P	C	Nov-15	Feb-17	Feb-18	Feb-19	Feb-20
30-021-20615	Libby Minerals LLC 2030 #231	P	C	Nov-15	Feb-17	Feb-18	Feb-19	Feb-20
30-021-20613	Libby Minerals LLC 2031 #202	P	C	Nov-15	Feb-17	Feb-18	Feb-19	Feb-20
30-021-20566	Libby Minerals LLC 2032 #101	P	C	Nov-15	Feb-17	Feb-18	Feb-19	Feb-20
30-021-20577	Libby Minerals LLC 2032 #151	P	C	Nov-15	Feb-17	Feb-18	Feb-19	Feb-20
30-015-01840	State 14 B #016	S	O	Nov-15	Feb-17	Feb-18	Feb-19	Feb-20
30-015-36000	CK 6 Federal #001	F	G	Dec-15	Mar-17	Mar-18	Mar-19	Mar-20
30-015-35942	CK Federal #004	F	G	Dec-15	Mar-17	Mar-18	Mar-19	Mar-20
30-025-08954	Closson B Federal #017	F	O	Dec-15	Mar-17	Mar-18	Mar-19	Mar-20
30-021-20628	Galveston 1928 01 #001	P	C	Dec-15	Mar-17	Mar-18	Mar-19	Mar-20
30-021-20667	Lewis 2028 35 #001	P	C	Dec-15	Mar-17	Mar-18	Mar-19	Mar-20
30-021-20582	Libby Minerals LLC 2031 #192	P	C	Dec-15	Mar-17	Mar-18	Mar-19	Mar-20
30-021-20589	Miera 2130 35 #001	P	C	Dec-15	Mar-17	Mar-18	Mar-19	Mar-20
30-015-02030	State 647 AC 711 #129	S	O	Dec-15	Mar-17	Mar-18	Mar-19	Mar-20
30-015-28994	State 647 AC 711 #130	S	O	Dec-15	Mar-17	Mar-18	Mar-19	Mar-20
30-015-29885	Conoco 7 State #024	S	O	Jan-16	Apr-17	Apr-18	Apr-19	Apr-20
30-025-26042	Closson B Fed #023	S	O	Feb-16	May-17	May-18	May-19	May-20
30-015-29078	State 647 AC 711 #132	S	O	Feb-16	May-17	May-18	May-19	May-20
30-015-28244	Dunn B Federal #038	S	O	Mar-16	Jun-17	Jun-18	Jun-19	Jun-20
30-025-37137	Cone Jalmat Yater Pool Unit #125	S	O	Mar-16	Jun-17	Jun-18	Jun-19	Jun-20
30-025-08659	Cone Jalmat Yater Pool Unit #901	S	O	Mar-16	Jun-17	Jun-18	Jun-19	Jun-20
30-025-08601	Jalmat Field Yates Sand Unit #116	S	O	Mar-16	Jun-17	Jun-18	Jun-19	Jun-20
30-015-02073	State 647 AC 711 #043	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
30-015-29077	Gulf State #003	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20

	30-015-02048	State 647 AC 711 #074	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-015-01863	State 14B #014	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-015-02049	State E 1288 #081	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
Dup ✓	30-015-29078	State 647 AC 711 #132	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-015-29079	State 647 AC 713 #140	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-015-01857	State 14 A #003	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-015-01878	State 647 AC 713 #120	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-015-01861	State 14 C #008	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-015-29075	State 647 AC 711 #133	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-025-33775	Northeast Pearl Queen Unit #028	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
X	30-025-30201	Northeast Pearl Queen Unit #021	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-025-33463	Northeast Pearl Queen Unit #024	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-025-20219	Northeast Pearl Queen Unit #022	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-025-03163	Northeast Pearl Queen Unit #003	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-025-20983	Northeast Pearl Queen Unit #010	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-025-03165	Northeast Pearl Queen Unit #002	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-025-21114	Northeast Pearl Queen Unit #009	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-025-20984	Northeast Pearl Queen Unit #011	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-015-25161	Conoco 7 State #013	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-015-23919	Conoco 7 State #004	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20
	30-015-29006	Conoco 7 State #014	S	O	Apr-16	Jul-17	Jul-18	Jul-19	Jul-20

Exhibit "A" to Agreed Compliance Order for BREITBURN OPERATING, L.P.

Shut-In, Inactive wells:

Jeanie McMillan
 By: Jeanie McMillan
 Title: REGULATORY MANAGER
 4-28-2016