

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

NMOCD - ACO- 181

IN THE MATTER OF AVRA OIL COMPANY,

Respondent.

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 Rule 1227.E [19.15.14.1227(E) NMAC], the Director of the Oil Conservation Division ("OCD") and Avra Oil Company ("Operator" or "Avra") enter into this Agreed Compliance Order ("Order") under which Operator acknowledges the violations described below, agrees to pay a penalty of \$1,000.00, and agrees to take the corrective action described below.

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 corporation operating wells in New Mexico under OGRID 1340.
3. Avra is the operator of record for the State 7 #1 well, API 30-025-30049, located in Lea County, New Mexico.
4. Avra reported that it plugged the wellbore of the State 7 #1 on November 3, 2000.
5. OCD Rule 202 provides, in relevant part,
 - “(3) As soon as practical but no later than one year after the completion of plugging operations, the operator shall:
 - (a) fill all pits;
 - (b) level the location
 - (c) remove deadmen and all other junk; and
 - (d) take such other measures as are necessary or required by the division to restore the location to a safe and clean condition.
 - (4) Upon completion of plugging and cleanup restoration operations as required, the operator shall contact the appropriate district office to arrange for an inspection of the well and location.”
6. OCD Rule 202.C(2) also requires the operator to file a record of the work done on Form C-103 within thirty days after completing all required restoration work.

4. Operator is a "person" as defined by NMSA 1978, Section 70-2-33(A) and may be subject to civil penalties for knowing and willful violations of the Oil and Gas Act or rules or orders adopted pursuant to the Act.

ORDER

1. The OCD assesses, and Avra agrees to pay, a penalty of \$1,000 for the knowing and willful violation of Rule 202 at the State 7 #001 well.
2. The \$1,000 penalty shall be paid at the time Avra executes this Order. Payment shall be made by check payable to the "New Mexico Oil Conservation Division," mailed or hand-delivered to the EMNRD-OCD, Attn: Director, 1220 South St. Francis Drive, Santa Fe, NM 87505.
3. By signing this Order, Operator expressly:
- (a) acknowledges the correctness of the Findings and Conclusions set forth in this Order;
 - (b) agrees to pay the \$1000.00 penalty assessed in the Order at the time the Order is executed;
 - (c) waives any right, pursuant to the Oil and Gas Act or otherwise, to a hearing either prior to or subsequent to the entry of this Order or to an appeal from this Order; and
 - (d) 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.

Done at Santa Fe, New Mexico this 22nd day of ^{May} April, 2007

By: Mark Fesmire

Mark Fesmire, P.E.

Director, Oil Conservation Division

ACCEPTANCE

Avra Oil Company hereby accepts the foregoing Order, and agrees to all of the terms and provisions set forth in that Order.

Avra Oil Company

By: Saeed Afghani

(Please print name) SAEED AFGHANI

Title: PRESIDENT

Date: 5-14-07

ACO

Avra Oil Company

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