

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

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION  
COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE  
ORDER AGAINST DWIGHT A. TIPTON, FOR WELLS OPERATED IN  
CHAVES AND LEA COUNTIES, NEW MEXICO.**

FEB 20 2018 PM 04:59

CASE NO. 16043

**APPLICATION**

The Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Dwight A. Tipton, (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within forty-five (45) days, and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification and costs as permitted by NMSA 1978, § 70-2-14(E). This application deals specifically with Operator’s violations of 19.15.5.9(A)(4) and 19.15.25.8 NMAC and does not include all violations that may exist. The OCD retains its right to bring a compliance action for any other existing and future violations. In support of this application, the Bureau states:

1. Operator is a sole proprietor that operates 62 wells in Chaves and Lea Counties, New Mexico, under OGRID No. 6550. See *Exhibit 1: Well List and Financial Assurance Report*, attached hereto and incorporated by reference as if set forth in its entirety.

2. Operator's address of record with OCD is: P. O. Box 1025, Lovington, NM 88260.

3. Operator has one blanket bond, bond # AR7136039, filed with the OCD, from American Employers' Insurance, for the amount of \$50,000.

4. Bank's address of record is: One Beacon St, Boston, MA 02108.

5. 19.15.5.9(A) NMAC states that an operator is in compliance with Subsection A of 19.15.5.9 NMAC if the operator:

(1) currently meets the financial assurance requirements of 19.15.8 NMAC;

(2) is not subject to a division or commission order, issued after notice and hearing, finding the operator to be in violation of an order requiring corrective action;

(3) does not have a penalty assessment that is unpaid more than 70 days after issuance of the order assessing the penalty; and

(4) has no more than the following number of wells out of compliance with 19.15.25.8 NMAC that are not subject to an agreed compliance order setting a schedule for bringing the wells into compliance with 19.15.25.8 NMAC and imposing sanctions if the schedule is not met:

- a. two wells or 50 percent of the wells the operator operates, whichever is less, if the operator operates 100 wells or less;
- b. five wells if the operator operates between 101 and 500 wells;
- c. seven wells if the operator operates between 501 and 1000 wells; and
- d. 10 wells if the operator operates more than 1000 wells.

6. 19.15.25.8 NMAC requires an operator to plug and abandon or temporarily abandon a well within 90 days after: (1) a 60 day period following the suspension of drilling operations; (2) a determination that a well is no longer usable for beneficial purposes; or (3) a period of one year in which a well has been continuously inactive.

7. The Operator currently has ten (10) wells out of a total of sixty-two (62) wells out of compliance with 19.15.25.8 NMAC, exceeding the amount allowed under 19.15.5.9(A)(4) NMAC. See *Exhibit 2: Inactive Well List*.

8. On June 27, 2017, the Bureau sent the Operator notice via first class mail that it was out of compliance with 19.15.5.9 NMAC and that the Bureau would seek formal compliance proceedings if no action was taken by the Operator to return to compliance within 60 days as required by 19.15.5.9(B) NMAC.

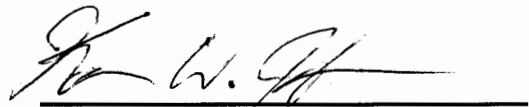
9. The Operator has not contacted the Bureau to resolve the outstanding compliance issues.

**WHEREFORE**, the Bureau, by and through its compliance and enforcement manager, hereby applies to the Director to enter an Order:

- A. determining that the Operator is in violation of 19.15.5.9(A)(4), and 19.15.25.8 NMAC;

- B. requiring the Operator to return the subject wells to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within forty-five (45) days;
- C. requiring producing wells to be shut-in pursuant to 19.15.5.10(B) NMAC until compliance with the order is achieved;
- D. in the event of non-compliance with the sought Division order by the dates established by the OCD, finding the Operator in violation of a Division order, declaring the violating wells abandoned and authorizing the Division to plug the subject wells in accordance with a Division-approved plugging program and restore and remediate the location, and recover costs from the Operator's financial assurance as required by 19.15.8.13 NMAC and seek indemnification and costs as permitted by NMSA 1978, § 70-2-14(E);
- E. upon a finding of non-compliance with the issued Division order, requiring producing wells shut-it pursuant to 19.15.5.10(B) NMAC until compliance with the order is achieved;
- F. for such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,  
this 20<sup>th</sup> day of February, 2018 by



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Enforcement Bureau

Case No. 16043 **Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Dwight A. Tipton, for Wells Operated in Chaves and Lea Counties, New Mexico.** The Oil Conservation Division Compliance and Enforcement Bureau (“Bureau”), through its undersigned attorney, hereby files this application with the Oil Conservation Division (“OCD” or “Division”) pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Dwight A. Tipton, (“Operator”) is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator’s financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

# Inactive Well Additional Financial Assurance Report

6550 DWIGHT A TIPTON

Total Well Count: 62

Printed On: Monday, February 19 2018

Property	Well Name	Lease Type	ULSTR	OCD Unit Letter	API	Well Type	Last Profit	Inactive Additional Bond Due	Measured Depth	Required Bond Amount	Bond Required Now	Covered By Statet TA Bond	Bond In Place	In Violation
306834	CB PLAINS #001	P	M-17-10S-28E	M	30-005-61621	O	05/2017	06/01/2019	Unknown	Unknown				0
	CB PLAINS #002	P	M-17-10S-28E	M	30-005-61905	O	05/2017	06/01/2019	Unknown	Unknown				0
	CB PLAINS #003	P	M-17-10S-28E	M	30-005-61906	O	05/2017	06/01/2019	2349	7348				0
303858	COASTAL A STATE #001	S	D-09-09S-33E	D	30-025-23799	O	05/2017	06/01/2019	4625	9625				0
	COASTAL A STATE #002	S	B-09-09S-33E	B	30-025-23813	O	05/2017	06/01/2019	4601	9601				0
	COASTAL A STATE #003	S	N-09-09S-33E	N	30-025-23654	O	05/2017	06/01/2019	9466	14466				0
303859	CUSHING 13 #001	P	H-13-08S-32E	H	30-005-20733	O	05/2017	06/01/2019	4424	9424				0
306831	CX PLAINS #001	P	P-19-10S-28E	P	30-005-60825	O	03/2017	04/01/2019	Unknown	Unknown				0
	CX PLAINS #003	P	P-19-10S-28E	P	30-005-61991	O	03/2017	04/01/2019	Unknown	Unknown				0
	CX PLAINS #005	P	A-19-10S-28E	A	30-005-61999	O	05/2017	06/01/2019	Unknown	Unknown				0
	CX PLAINS #006	P	H-19-10S-28E	H	30-005-62125	O	01/2017	02/01/2019	Unknown	Unknown				0
	CX PLAINS #011	P	P-19-10S-28E	P	30-005-62205	O	04/2017	05/01/2019	Unknown	Unknown				0
	CX PLAINS #013	P	J-19-10S-28E	J	30-005-62253	O	04/2016	05/01/2018	Unknown	Unknown				0
	CX PLAINS #015	P	O-19-10S-28E	O	30-005-62291	O	03/2016	04/01/2018	2310	7310				0
	CX PLAINS #016	P	I-19-10S-28E	I	30-005-62285	O	03/2016	04/01/2018	2303	7303				0
	CX PLAINS #017	P	O-19-10S-28E	O	30-005-62311	O	03/2016	04/01/2018	2280	7280				0
	CX PLAINS #018	P	P-19-10S-28E	P	30-005-63030	O	03/2016	04/01/2018	2308	7308				0
32099	J K RECTOR #001	P	H-31-21S-36E	H	30-025-04858	O	05/2017	06/01/2019	3765	8765				0
306833	J P WHITE #003	P	B-18-10S-28E	B	30-005-60986	O	04/2017	05/01/2019	Unknown	Unknown				0
306827	J P WHITE A #001	P	I-19-10S-28E	D	30-005-60539	O	05/2017	06/01/2019	Unknown	Unknown				0
	J P WHITE A #002	P	C-19-10S-28E	C	30-005-60985	O	05/2017	06/01/2019	Unknown	Unknown				0
306828	J P WHITE D #001	P	D-20-10S-28E	D	30-005-60547	O	05/2017	06/01/2019	Unknown	Unknown				0
	J P WHITE D #002	P	C-20-10S-28E	C	30-005-60628	O	05/2017	06/01/2019	Unknown	Unknown				0
	J P WHITE D #003	P	E-20-10S-28E	E	30-005-60712	O	05/2017	06/01/2019	Unknown	Unknown				0
	J P WHITE D #005	P	M-20-10S-28E	M	30-005-61175	O	07/2007	08/01/2009	2263	7263	Y			Y
	J P WHITE D #007	P	D-20-10S-28E	D	30-005-61907	O	05/2017	06/01/2019	Unknown	Unknown				0
	J P WHITE D #008	P	D-20-10S-28E	D	30-005-61911	O	05/2017	06/01/2019	Unknown	Unknown				0
	J P WHITE D #009	P	E-20-10S-28E	E	30-005-62000	O	05/2017	06/01/2019	Unknown	Unknown				0
	J P WHITE D #012	P	D-20-10S-28E	D	30-005-62231	O	05/2017	06/01/2019	Unknown	Unknown				0
33238	LEDBETTER GULF STATE #001	S	E-21-17S-34E	E	30-025-02059	O	05/2017	06/01/2019	4785	9785				0
	LEDBETTER GULF STATE #002	S	F-21-17S-34E	F	30-025-02060	O	05/2017	06/01/2019	4755	9755				0
	LEDBETTER GULF STATE #003	S	C-21-17S-34E	C	30-025-02061	O	05/2017	06/01/2019	4775	9775				0
306829	MABEL #002	P	H-30-10S-28E	H	30-005-60736	O	05/2017	06/01/2019	Unknown	Unknown				0
	MABEL #003	P	B-30-10S-28E	B	30-005-60777	O	05/2017	06/01/2019	2244	7244				0
	MABEL #004	P	H-30-10S-28E	H	30-005-62294	O	05/2017	06/01/2019	Unknown	Unknown				0
	MABEL #005	P	A-30-10S-28E	A	30-005-61908	O	05/2017	06/01/2019	2305	7305				0
	MABEL #006	P	H-30-10S-28E	H	30-005-61909	O	05/2017	06/01/2019	Unknown	Unknown				0
	MABEL #007Y	P	H-30-10S-28E	H	30-005-62032	O	05/2017	06/01/2019	2325	7325				0
	MABEL #008	P	B-30-10S-28E	B	30-005-62322	O	05/2017	06/01/2019	Unknown	Unknown				0
	MABEL #009	P	A-30-10S-28E	A	30-005-62715	O	05/2017	06/01/2019	2300	7300				0
306830	MONA #001	P	N-07-10S-28E	N	30-005-60762	O	05/2017	06/01/2019	Unknown	Unknown				0
	MONA #002	P	C-07-10S-28E	C	30-005-62254	O	05/2017	06/01/2019	2360	7360				0
306836	NASTY #001	P	L-20-10S-28E	L	30-005-62634	O	01/2017	02/01/2019	2312	7312				0
	NASTY #002	P	L-20-10S-28E	L	30-005-62714	O	05/2017	06/01/2019	Unknown	Unknown				0
306832	PLAINS 29 #001	P	D-29-10S-28E	D	30-005-60875	S	05/2017	06/01/2019	2226	7226				0
	PLAINS 29 #002	P	E-29-10S-28E	E	30-005-61385	O	06/2016	07/01/2018	Unknown	Unknown				0
	PLAINS 29 #003	P	M-29-10S-28E	M	30-005-61784	O	06/2016	07/01/2018	Unknown	Unknown				0
	PLAINS 29 #004	P	D-29-10S-28E	D	30-005-61904	O	06/2016	07/01/2018	2304	7304				0
	PLAINS 29 #005	P	E-29-10S-28E	E	30-005-61998	O	05/2017	06/01/2019	Unknown	Unknown				0
	PLAINS 29 #006	P	D-29-10S-28E	D	30-005-61992	O	06/2016	07/01/2018	Unknown	Unknown				0
	PLAINS 29 #007	P	E-29-10S-28E	E	30-005-62128	O	05/2017	06/01/2019	Unknown	Unknown				0
	PLAINS 29 #008	P	L-29-10S-28E	L	30-005-62624	O	05/2017	06/01/2019	99999	Unknown				0
306835	PLAINS 67 #001	P	N-06-10S-28E	N	30-005-62227	O	05/2017	06/01/2019	Unknown	Unknown				0
	PLAINS 67 #002	P	B-07-10S-28E	B	30-005-62186	O	05/2017	06/01/2019	Unknown	Unknown				0
	PLAINS 67 #003	P	N-06-10S-28E	N	30-005-62288	O	05/2017	06/01/2019	2330	7330				0
24208	SUNRAY A 6822 LTD #001	S	O-36-09S-33E	O	30-025-31000	I	05/2017	06/01/2019	4750	8750				0

2/19/2018

OCD Permitting

	SUNRAY A 6822 LTD #002	S	K-36-09S-33E	K	30-025-31060	O	05/2017	06/01/2019	4756	9756	0
	SUNRAY A 6822 LTD #003	S	G-36-09S-33E	G	30-025-31061	O	05/2017	06/01/2019	4760	9760	0
30976	SUZANNE STATE #001	S	I-27-10S-32E	I	30-025-21956	O	04/2017	05/01/2019	4260	9260	0
24503	UNION #001	S	C-17-17S-34E	C	30-025-02048	O	04/2017	05/01/2019	4910	9910	0
	UNION #002	S	A-17-17S-34E	A	30-025-02049	O	05/2017	06/01/2019	4775	9775	0
33239	WESTERN STATE #001	S	H-04-17S-33E	H	30-025-01291	O	05/2017	06/01/2019	4581	9581	0

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WHERE Ogrid:6550



**Inactive Well List**  
**Total Well Count: 62 Inactive Well Count: 10**  
**Printed On: Monday, February 19 2018**

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
2	30-005-62253	CX PLAINS #013	J-19-10S-28E	J	6550	DWIGHT A TIPTON	P	O	04/2016			
2	30-005-62291	CX PLAINS #015	O-19-10S-28E	O	6550	DWIGHT A TIPTON	P	O	03/2016			
2	30-005-62285	CX PLAINS #016	I-19-10S-28E	I	6550	DWIGHT A TIPTON	P	O	03/2016			
2	30-005-62311	CX PLAINS #017	O-19-10S-28E	O	6550	DWIGHT A TIPTON	P	O	03/2016			
2	30-005-63030	CX PLAINS #018	P-19-10S-28E	P	6550	DWIGHT A TIPTON	P	O	03/2016	SAN ANDRES		
2	30-005-61175	J P WHITE D #005	M-20-10S-28E	M	6550	DWIGHT A TIPTON	P	O	07/2007			
2	30-005-61385	PLAINS 29 #002	E-29-10S-28E	E	6550	DWIGHT A TIPTON	P	O	06/2016			
2	30-005-61784	PLAINS 29 #003	M-29-10S-28E	M	6550	DWIGHT A TIPTON	P	O	06/2016			
2	30-005-61804	PLAINS 29 #004	D-29-10S-28E	D	6550	DWIGHT A TIPTON	P	O	06/2016			
2	30-005-61992	PLAINS 29 #006	D-29-10S-28E	D	6550	DWIGHT A TIPTON	P	O	06/2016			

WHERE Ogrid:6550, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period