

**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 BRADLEY MCINROE DBA BIG AL OIL & GAS, FOR  
WELLS OPERATED IN ROOSEVELT AND LEA COUNTIES, NEW MEXICO.**

FEB 20 2018 PM04:59  
CASE NO. 16045

**APPLICATION**

FEB 20 2018 PM04:59

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 Bradley McInroe dba Big Al Oil & Gas, ("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 6 wells in Roosevelt and Lea Counties, New Mexico, under OGRID No. 193484. 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 669, Levelland, TX 79336.

3. Operator has one blanket letter of credit filed with the OCD, letter of credit no. LOCA-174, from City Bank, for the amount of \$50,000.

4. Bank's address of record is: P.O. Box 1559/600 College Ave, Levelland, TX 79336.

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 three (3) wells out of a total of six (6) 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 August 1, 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.

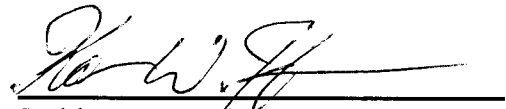
9. The Operator has not contacted the Bureau to resolve the outstanding compliance issues.

**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

  
Keith W. Herrmann  
Assistant General Counsel  
Energy, Minerals and Natural  
Resources Department of the State of  
New Mexico

1220 S. St. Francis Drive  
Santa Fe, NM 87505  
(505) 476-3463  
Fax: (505) 476-2220

Attorney for the Compliance and  
Enforcement Bureau

Case No. 16075. **Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Bradley McInroe dba Big Al Oil & Gas, for Wells Operated in Roosevelt 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 Bradley McInroe dba Big Al Oil & Gas, (“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).

# *Exhibit 1: Well List and Financial Assurance Report*

## Inactive Well Additional Financial Assurance Report

193484 BRADLEY MCINROE DBA BIG AL OIL &amp; GAS

Total Well Count: 6

Printed On: Monday, February 19 2018

Property	Well Name	Lease Type	ULSTR	OCD Unit Letter	API	Well Type	Last Production	Inactive Additional Bond Due	Measured Depth	Required Bond Amount	Bond Required Now	Covered By Blanket TA Bond	Bond In Place	In Violation
27706	FEDERAL AR #001	F	L-19-08S-38E	L	30-041-20727	G	12/2017		Unknown				0	
27707	FEDERAL N #001	F	A-23-08S-37E	A	30-041-20726	G	12/2017		Unknown				0	
27708	LIGHT #001	F	I-15-08S-37E	I	30-041-20311	O	10/2012		Unknown				0	
32353	STATE AT #002	S	L-04-19S-37E	L	30-025-25564	G	08/2017	09/01/2019	4000	9000			0	
32354	STATE LAND SEC 9 #001	S	N-09-19S-38E	N	30-025-07665	G	07/2014	08/01/2016	4314	9314	Y		0	Y
	STATE LAND SEC 9 #002	S	N-09-19S-38E	N	30-025-30981	G	07/2014	08/01/2016	4314	9314	Y		0	Y

WHERE Ogrid:193484

**Exhibit 2: Inactive Well List**

**Inactive Well List**  
**Total Well Count: 6 Inactive Well Count: 3**  
**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
1	30-041-20311	LIGHT #001	I-15-08S-37E	I	193484	BRADLEY MCINROE DBA BIG AL OIL & GAS	F	O	10/2012			
1	30-025-07665	STATE LAND SEC 9 #001	N-09-19S-38E	N	193484	BRADLEY MCINROE DBA BIG AL OIL & GAS	S	G	07/2014			
1	30-025-30981	STATE LAND SEC 9 #002	N-09-19S-38E	N	193484	BRADLEY MCINROE DBA BIG AL OIL & GAS	S	G	07/2014	YATES		

WHERE Ogrid:193484, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period