

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

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APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST KIMLAR OIL COMPANY, FINDING THAT OPERATOR KNOWINGLY AND WILLFULLY VIOLATED DIVISION RULES 19.15.3.116 AND 19.15.9.703 NMAC; ORDERING OPERATOR TO COMPLY WITH SUCH RULES BY A DATE CERTAIN; ASSESSING PENALTIES; EDDY COUNTY, NEW MEXICO.

CASE NO. 14054

Motion to Re-Open Case

COMES NOW, the Enforcement & Compliance Manager of the Oil Conservation Division and hereby moves the Oil Conservation Division to re-open the case and issue an Order, after notice and hearing, finding Kimlar Oil Company (Operator) to be in violation of an order requiring corrective action.

AS GROUNDS, the Division states the following:

1. Division Rule 19.15.5.9 NMAC states, "An operator is in compliance with Subsection A of Rule 19.15.5.9 NMAC if the operator . . . 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."
2. On June 30, 2008, the Division issued Order No. R-12967. Ordering Paragraph No. 5 of Order No. R-12967 states:

Kimlar Oil Company shall install and/or implement, by January 1, 2009, a spill prevention system approved by the Artesia district office designed to reduce or eliminate stuffing box leaks and other

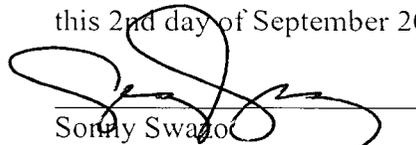
spills from its wells and operations. By June 30, 2009, Kimlar shall provide a written update and status report including record of spills and performance of the new system to the Compliance Manager in Santa Fe with the Division. If Kimlar does not implement such approved system it may be assessed a civil penalty not to exceed \$1,000 per day for each day after June 30, 2009, that such report remains unfiled.

3. Operator has not installed and/or implemented a spill prevention system approved by the Artesia district office. Nor, has Operator provided a written update and status report including record of spills and performance of the new system to the Compliance Manager in Santa Fe with the Division. Therefore, Operator is in violation of Order R-12967.
4. Because Operator is in violation of Order R-12967, the Division is seeking an Order finding Operator to be in violation of an order requiring corrective action.

FOR THE FOREGOING REASONS, the Division Enforcement & Compliance Manager moves the Commission to re-open the case and issue an Order, after notice and hearing, finding Operator to be in violation of an order requiring corrective action.

Respectfully submitted

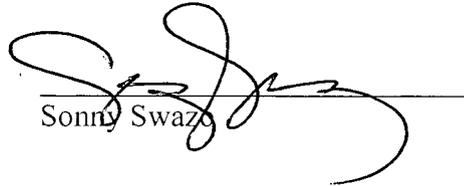
this 2nd day of September 2009 by



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Energy, Minerals and Natural
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CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of September 2009, a copy of the foregoing motion was mailed to Kimlar Oil Company, P.O. Box 1217, Kermit, Texas 79745.


Sonny Swazo