

## Davidson, Florene, EMNRD

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**From:** Ernest Padilla [epadillaplf@qwestoffice.net]  
**Sent:** Tuesday, January 05, 2010 4:48 PM  
**To:** Davidson, Florene, EMNRD  
**Subject:** OCC Case No. 14041  
**Attachments:** Microsoft Word - Proposed Findings and Conclusions.pdf

Florene:

Attached is Marks and Garner's proposed order re the December 16 hearing. Should you require anything else please let me know. Thank you.

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

IN THE MATTER OF THE APPLICATION  
OF THE NEW MEXICO OIL CONSERVATION DIVISION  
THROUGH THE ENFORCEMENT AND COMPLIANCE  
MANAGER, FOR A COMPLIANCE ORDER AGAINST  
MARKS AND GARNER PRODUCTION LTD. CO.

CASE NO. 14041  
(De Novo)  
ORDER NO. R-12963-A

**MARKS AND GARNER PRODUCTION LTD COMPANY'S PROPOSED  
ORDER OF THE COMMISSION**

THIS MATTER, having come before the New Mexico Oil Conservation Commission on December 16, 2009, at Santa Fe, New Mexico, on the application of the New Mexico Oil Conservation Division (Division) for a determination on non-compliance with OCD Rule 19.15.5.9 NMAC for violation of an order requiring corrective action, and the Commission having considered the evidence and other materials submitted, now, on this \_\_\_\_\_ day of \_\_\_\_\_, 2010,

**FINDS THAT:**

1. Due public notice has been given, and the Commission has jurisdiction of this case and its subject matter.
2. On September 11, 2008, the Commission issued Order No. R-12963 which require, in part, required Marks & Garner to:
  - a. Post additional financial assurance for the Northeast Maljamar Unit #001, (30-025-21291).
  - b. Submit accurate subsequent-report, Form C-103 sundries (documenting remedial work performed) for the following five (5) wells:

Cities Service State #001

30-025-23551

Graham Federal #003	30-025-28655
Jennings Federal #002	30-025-08149
Kemnitz 17 State #001	30-025-28767
State #002	30-015-02889

c. Plug and abandon or otherwise bring into compliance by bringing back into production or obtaining approval for temporary abandonment the following six (6) inactive wells:

Theos State #001	30-015-24732
Lea/UA/State #001	30-025-28484
Northeast Maljamar Unit #001	30-025-21291
Red Twelve Levers Fed #008Q	30-015-25090
State #001	30-015-02888
Gulf Hanagan Fed #001	30-025-08144

3. With respect to the Cities Service State #001 and the Kemnitz 17 State #001, Marks & Garner has had legal and title issues resulting in the wells being owned by the prior owners of Marks & Garner, but the prior owners have failed to post financial assurance and change operator status to themselves; as a consequence Marks & Garner remains the operator of these two wells.

4. At the time of the hearing Marks & Garner had either placed the remaining wells on production status or had plugged the remaining wells as follows:

Graham Federal #003	30-025-28655	
(placed on producing status)		
Jennings Federal #002	30-025-08149	
(placed on producing status)		
State #002	30-015-02889	
(placed on producing status)		
Theos State #001	30-015-24732	plugged
(released by OCD)		
Lea/UA/State #001	30-025-28484	plugged
(surface clean-up incomplete)		
Northeast Maljamar Unit #001	30-025-21291	plugged
(surface clean-up incomplete)		
Red Twelve Levers Fed #008Q	30-015-25090	plugged
(surface reseeding necessary pursuant to BLM requirements)		
State #001	30-015-02888	plugged
(release by OCD denied due to minor surface clean-up)		
Gulf Hanagan Fed #001	30-025-08144	plugged
(surface reseeding necessary pursuant to BLM requirements)		

5. Commencing in early September 2009, Quentin Welborn, Marks & Garner's principal had medical conditions that prevented his active participation meeting OCD requirements, pursuant to Order R-12963-A, but was otherwise diligent in complying with the Order considering the financial condition of Marks & Garner.

**IT IS THEREFORE ORDERED THAT:**

1. Marks & Garner shall plug and abandon Cities Service State #001 (30-025-23551) and the Kemnitz 17 State #001 (30-025-28767) or otherwise comply with Order R-12963-A within sixty days of this order.

2. With respect to the wells listed in Finding No. 4 above, Marks & Garner shall complete surface clean-up and/or restoration pursuant appropriate governmental authority within forty-five days of this order.

3. Jurisdiction of this case is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico on the \_\_\_\_\_ day of \_\_\_\_\_, 2010.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JAMI BAILEY, CPG, Member

WILLIAM OLSON, Member

MARK E. FESMIRE, PE, Chair