

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

**IN RE ENERGY ACUMEN, LLC**

**NMOCD-ACOI-201941**

**AGREED COMPLIANCE ORDER FOR INACTIVE WELLS**

Pursuant to the New Mexico Oil and Gas Act ("Act"), NMSA 1978, Section 70-2-1, *et seq.*, and 19.15.5.10(E) NMAC, the Director of the Oil Conservation Division ("OCD") and Energy Acumen, LLC ("Operator"), enter into this Agreed Compliance Order for Inactive Wells ("ACOI").

1. OCD is charged with the administration and enforcement of the Oil and Gas Act and its rules and has jurisdiction over Operator and its wells in the state of New Mexico.
2. Operator requests transfer of operatorship of fifty (50) wells from Lanexco Incorporated ("Lanexco"), of which thirty-eight (38) are currently in unapproved temporary abandonment pursuant to 19.15.25.8 NMAC.
3. The same fifty (50) wells, identified in **Exhibit A**, are also subject to a pending Notice of Violation issued to Lanexco.
4. Lanexco operates under OGRID #'s 13046 & 372728.
5. Operator operates under OGRID # 373817.
6. OCD is authorized to impose sanctions for violations of the Oil and Gas Act and its rules, including denial or revocation of registrations, applications, permits, authorizations and transfers, and the assessment of civil penalties. *See* 19.15.5.10 NMAC.
7. Operator requests this ACOI to avoid sanctions for violating the Oil and Gas Act, 19.15.8.9 NMAC, and 19.15.25 NMAC with respect to the Wells.
8. Operator admits the findings of fact and waives any right to appeal from this ACOI.
9. Operator accepts and acknowledges responsibility for any and all costs associated with plugging and abandonment and remediation of the Wells. Specifically, Operator assumes responsibility for any remediation required under 19.15.29 NMAC.
10. Operator must file Change of Operator forms (C-145) for all wells identified in

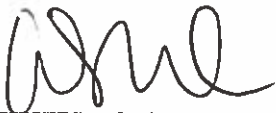
**Exhibit A** within 15 days of the execution of this Order.

11. No later than the dates listed in **Exhibit A**, Operator shall take one of the following actions for each well:
  - a. restore the Well to production and file a C-115;
  - b. place the Well on approved temporary abandonment status in accordance with 19.15.25 NMAC; or
  - c. plug the Well in accordance with 19.15.25 NMAC and file a C-105.
12. If Operator determines that any well currently identified in **Exhibit A** as being returned to production is unable to return to production, Operator must notify OCD that the well must be plugged and abandoned on or before the production deadline in **Exhibit A**. Operator must plug and abandon any such well within six months of the production deadline, except as approved by OCD for good cause shown.
13. No later than the 15<sup>th</sup> day of each month following the entry of this ACOI, Operator shall file a report describing the action taken for each Well, and such other information as OCD may request from time to time. The report shall be sent by electronic mail to OCD's Administrative and Compliance Bureau, at [OCDAdminComp@state.nm.us](mailto:OCDAdminComp@state.nm.us).
14. Operator must provide sufficient blanket financial assurance for the Wells under 19.15.8.9(C) NMAC, in the amount of seventy-five thousand dollars (\$75,000.00), prior to OCD's approval of any well transfer.
15. Operator agrees that any lapse in financial assurance, regardless of cause, is a violation of OCD rules and the terms of this Order and is subject to daily stipulated penalties.
16. Operator is not required to provide additional inactive well financial assurance under 19.15.8.9(D) NMAC at this time so long as Operator is compliant with all deadlines established in **Exhibit A**. Should Operator fail to meet any deadline in **Exhibit A**, Operator shall provide adequate additional inactive well financial assurance for all qualifying wells within 30 days of failing to meet any applicable deadline.
17. If Operator fails to comply with a requirement of this ACOI for a Well, the Well shall be deemed to be out of compliance with the Oil and Gas Act and rules.
18. If Operator fails to comply with a requirement of this ACOI, no later than thirty (30) days after receipt of a written demand from OCD, in addition to any other sanction imposed by OCD pursuant to the Oil and Gas Act and the rules adopted

thereunder, Operator shall pay a stipulated penalty of \$250.00 for each day until it complies with each separate requirement ("Stipulated Penalty"). Each failure to comply with a requirement of this ACOI shall be subject to a separate Stipulated Penalty.

19. If Operator fails to pay the Stipulated Penalty or portion thereof within thirty (30) days after receipt of a written demand from OCD, it shall pay interest on the Stipulated Penalty or unpaid portion thereof until paid in full at the interest rate of 8.75 percent annual interest.
20. Operator shall not transfer a Well to another operator without the prior approval of the OCD.
21. If Operator fails to plug a Well as required herein, OCD retains the right to plug such well itself with prior written notice to the Operator of its failure to plug consistent with the requirements of this Agreement.
22. Notwithstanding the foregoing provisions,
  - a. OCD reserves the right to apply for authorization to plug a Well and to forfeit the financial assurance at an early date then specified herein if the Well poses an imminent threat to the public health or environment.
  - b. OCD reserves the right to sanction Operator for any alleged violation not addressed in this Order.

#### NEW MEXICO OIL CONSERVATION DIVISION



Adrienne Sandoval  
Director

3/14/2022

Date

#### ENERGY ACUMEN, LLC



Eric Buhr  
President

5 March 2022

Date

Exhibit A					
Operator Name:	Energy Acumen, LLC				
Operator OGRID:	373817				
ACOI submittal Date:	7-Mar-22				
ACOI Approval Date:					
Total Number of Non-Compliant Wells:	50				
Number of Wells per month brought into production or plugged:	See schedule				
ACOI # : (Assigned by OCD)	201941				
List of Noncompliant Wells				In production	
API	Well Name/Number	Plug or Produce?	Date of plugging or production	Date of Last Production	Financial Assurance Single well or Blanket bond?
30-015-22372	BRC MADERA #001	Produce	Dec-21	Jul-19	\$75,000
30-025-06927	JOYCE PRUITT #001	Produce	Dec-21	Sep-19	"
30-025-27396	LANSFORD #003	Produce	Dec-21	Jun-21	"
30-025-27271	LANSFORD #002	Produce	Jan-22	Jul-21	"
30-025-28661	MIKE #001	Produce	Jan-22	May-21	"
30-025-05523	MIKE #002	Produce	Jan-22	Apr-21	"
30-025-28841	MIKE #003	Produce	Jan-22	Apr-21	"
30-025-05522	NEW MEXICO AK STATE #001	Produce	Jan-22	May-20	"
30-025-26479	NEW MEXICO AK STATE #002	Produce	Jan-22	May-20	"
30-025-27879	LANSFORD #006	Produce	Jan-22	Dec-20	"
30-025-27866	LANSFORD #005	Produce	Jan-22	Dec-20	"
30-025-36383	ALVES #004	Produce	Jan-22	Sep-19	"
30-025-29139	MIKE #004	Produce	Feb-22	Apr-20	"
30-025-27206	BUCKSKIN FED. #006	Produce	Mar-22	Aug-19	"
30-025-27023	BUCKSKIN FED. #001	Produce	Mar-22	Aug-19	"
30-025-10781	FARNEY A 17 #002	Produce	Mar-22	Feb-15	"
30-025-28664	ROBERT #001	Produce	Apr-22	Apr-19	"
30-025-36826	ROBERT #002	Produce	Apr-22	Apr-19	"
30-025-27211	LANSFORD #001	Produce	Apr-22	Feb-15	"
30-025-24153	STATE J D COM. #001	Produce	May-22	Jan-15	"
30-025-26346	EL PASO STATE #001	Produce	May-22	Feb-15	"
30-025-26812	LANSFORD #004	Produce	May-22	Apr-19	"
30-025-21473	CRAWFORD STATE #003	Produce	Jun-22	Feb-15	"
30-025-03500	STATE C #001Y	Produce	Jun-22	Feb-15	"
30-025-03507	STATE C #002Y	Produce	Jun-22	Feb-15	"
30-025-03498	STATE C #003	Produce	Jun-22	Feb-15	"
30-025-03499	STATE C #004	Produce	Jun-22	Feb-15	"
30-025-26688	JUSTIS A FEDERAL #002	Produce	Jul-22	Jul-16	"
30-025-27355	JUSTIS B FEDERAL #001	Produce	Jul-22	Feb-15	"
30-025-27357	JUSTIS B FEDERAL #003	Produce	Jul-22	Feb-15	"
30-025-26483	JUSTIS C FEDERAL #001	Produce	Jul-22	Feb-15	"
30-025-26700	JUSTIS C FEDERAL #002	Produce	Jul-22	Feb-15	"
30-025-26426	EL PASO PLANT #001	Produce	Jul-22	Feb-15	"
30-025-28087	DORITY #001	Produce	Aug-22	Feb-15	"
30-025-28085	JO #001	Produce	Aug-22	Feb-15	"
30-015-22552	MILLER COM #001	Produce	Aug-22	Dec-12	"
30-025-06662	ALVES #002	Produce	Aug-22	Nov-20	"
30-025-24180	ALVES #003	Produce	Aug-22	Apr-19	"
30-025-06430	ALVES A #001	Produce	Aug-22	Feb-15	"
30-025-26667	EL PASO RUBY FEDERAL #001	Produce	Sep-22	Feb-15	"
30-025-29226	SHELL STATE #001	Produce	Sep-22	Mar-15	"
30-025-21872	STATE A-36 #002	Produce	Sep-22	Feb-15	"
30-025-27354	GLORIA FEDERAL #001	Produce	Sep-22	Feb-15	"
30-025-03497	STATE C COM #002	Produce	Sep-22	Feb-15	"
30-015-25058	Red Twelve Federal #001	Produce	Sep-22	Jun-05	"
30-025-27024	BUCKSKIN FED. #002	Produce	Sep-22	Feb-12	"
30-005-60586	BLAKEMORE FEDERAL #001	Plug	Sep-22	Feb-15	
30-025-11993	H G MOBERLY C FEDERAL #001	Plug	Dec-22	Oct-19	
30-025-28508	EL PASO TOM FEDERAL #005	Plug	Feb-23	Feb-15	
30-025-26664	EL PASO SMITH #001	Plugged - C103 req'd	Jun-22	Aug-07	
30-025-26919	EL PASO TOM FEDERAL #004	Plugged/site released by OCD Jan-22	N/A	Jul-04	

Agreed *Eric Zuercher*  
5 Mar 2022