

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

2009 OCT 4 PM 2 29

AMENDED APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE SUPERVISOR OF DISTRICT I, FOR AN ORDER REQUIRING LINDENMUTH & ASSOCIATES, INC. TO BRING ONE WELL INTO COMPLIANCE WITH 19.15.4.201 NMAC; AUTHORIZING THE DIVISION TO PLUG THE WELL AND FORFEIT THE APPLICABLE SECURITY IN THE EVENT THE OPERATOR FAILS TO COMPLY; AND ASSESSING AN APPROPRIATE CIVIL PENALTY; LEA COUNTY, NEW MEXICO.

CASE NO. 13371

**AMENDED
APPLICATION FOR COMPLIANCE ORDER**

1. The records of the Oil Conservation Division ("Division") identify "Lindenmuth & Associates Inc." ("Lindenmuth") as the operator of record for the Post #001 well, API # 30-025-27984, located at Unit Letter N, Section 1, Township 14 South, Range 37 East, in Lea County, New Mexico ("well").

2. Lindenmuth posted a \$50,000 letter of credit, number SB 500395, issued by the International Bank of Commerce, to secure its obligation to plug and abandon the well in compliance with Division rules.

3. Division rule 19.15.4.201 NMAC requires an operator to plug and abandon or temporarily abandon a well in accordance with Division rules within 90 days after a period of one year of continuous inactivity.

4. The subject well has been inactive for a continuous period exceeding one year plus 90 days, and has neither been plugged and abandoned pursuant to 19.15.4.202 NMAC nor temporarily abandoned pursuant to 19.15.4.203 NMAC.

5. The Division made repeated requests to Lindenmuth to bring the well into compliance with 19.15.4.201 NMAC.

6. Division rule 19.15.101(M) NMAC authorizes the Director to order the operator to plug and abandon any well not in compliance with 19.15.4.201 NMAC by a date certain, and to direct the Division to forfeit the applicable financial assurance and plug such well in accordance with a Division-approved plugging program if, after the time provided in such order, the operator has failed to plug the well.

7. The Oil and Gas Act ("Act") provides that any person who knowingly and willfully violates any provision of the Act, or any rule or order issued pursuant to the Act, shall be subject to a civil penalty of not more than one thousand dollars per day for each violation. NMSA 1978, section 70-2-31(A).

WHEREFORE, the Supervisor of District I of the Division hereby applies to the Director to enter an order:

- A. Determining that the subject well is not in compliance with 19.15.4.201 NMAC;
- B. Determining that Lindenmuth's failure to bring the subject well into compliance with 19.15.4.201 NMAC after repeated requests from the Division to do so constitutes a continuing knowing and willful violation of 19.15.4.201 NMAC and assessing a civil penalty of not less than \$5,000;
- C. Requiring the Lindenmuth to bring the subject well into compliance with 19.15.4.201 NMAC within a date certain by plugging and abandoning the well in accordance with 19.15.4.202 NMAC, securing temporary

abandonment status for the subject well in accordance with 19.15.4.203 NMAC, or returning the subject well to a Division-approved beneficial use;

D. Further, if the subject well is not brought into compliance with 19.15.4.201 NMAC by the date set by the order:

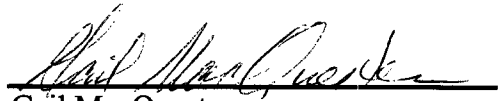
(1) Assessing a penalty against Lindenmuth of not less than \$1000 per full week of non-compliance with the order;

(2) Authorizing the Division to plug the subject well in accordance with a Division-approved plugging program; and

(3) Authorizing the Division to forfeit the applicable security; and

E. For such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,
this 27th day of October, 2004 by



Gail MacQuesten
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) 476-3451

Attorney for The New Mexico Oil
Conservation Division

Case No. 13371. Amended application of the New Mexico Oil Conservation Division for a Compliance Order. The Applicant seeks an order requiring Lindenmuth & Associates, Inc. to bring one well into compliance with 19.15.4.201 NMAC; imposing a civil penalty; authorizing the Division to plug said well in the event of noncompliance and forfeit the applicable financial assurance; and for such other relief as the Director deems appropriate. The affected well is the Post #001 well, API # 30-025-27984, located at Unit Letter N, Section 1, Township 14 South, Range 37 East, approximately 15 miles northeast of Lovington in Lea County, New Mexico.

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LINDENMUTH & ASSOCIATES, INC. TO BRING ONE WELL INTO
COMPLIANCE WITH 19.15.4.201 NMAC; AUTHORIZING THE DIVISION TO
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EVENT THE OPERATOR FAILS TO COMPLY; AND ASSESSING AN
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2004 SEP 21 PM 3 47

CASE NO. 13371

APPLICATION FOR COMPLIANCE ORDER

1. The records of the Oil Conservation Division ("Division") identify "Lindenmuth & Associates Inc." ("Lindenmuth") as the operator of record for the Post #001 well, API # 30-025-27984, located at Unit Letter N, Section 1, Township 14 South, Range 37 East, in Lea County, New Mexico ("well").

2. Lindenmuth posted a \$50,000 blanket bond, number SB 500395, issued by the International Bank of Commerce, to secure its obligation to plug and abandon the well in compliance with Division rules.

3. Division rule 19.15.4.201 NMAC requires an operator to plug and abandon or temporarily abandon a well in accordance with Division rules within 90 days after a period of one year of continuous inactivity.

4. The subject well has been inactive for a continuous period exceeding one year plus 90 days, and has neither been plugged and abandoned pursuant to 19.15.4.202 NMAC nor temporarily abandoned pursuant to 19.15.4.203 NMAC.

5. The Division made repeated requests to Lindenmuth to bring the well into compliance with 19.15.4.201 NMAC.

6. Division rule 19.15.101(M) NMAC authorizes the Director to order the operator to plug and abandon any well not in compliance with 19.15.4.201 NMAC by a date certain, and to direct the Division to forfeit the applicable financial assurance and plug such well in accordance with a Division-approved plugging program if, after the time provided in such order, the operator has failed to plug the well.

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- C. Requiring the Lindenmuth to bring the subject well into compliance with 19.15.4.201 NMAC within a date certain by plugging and abandoning the well in accordance with 19.15.4.202 NMAC, securing temporary

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- (1) Assessing a penalty against Lindenmuth of not less than \$1000 per full week of non-compliance with the order;
 - (2) Authorizing the Division to plug the subject well in accordance with a Division-approved plugging program; and
 - (3) Authorizing the Division to forfeit the applicable security; and
- E. For such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,
this 21st day of September, 2004 by



Gail MacQuesten
Assistant General Counsel
Energy, Minerals and Natural
Resources Department of the State of
New Mexico
1220 S. St. Francis Drive
Santa Fe, NM 87505
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