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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER FOR A COMPLIANCE ORDER AGAINST CHARLES SEED, SUCCESSORS, HEIRS, AND ASSIGNS OF LEASE NO. SEED SECTION 30 FINDING THAT THE OPERATOR IS IN VIOLATION OF 19.15.25.8 NMAC AS TO NINE WELLS, REQUIRING OPERATOR TO BRING SAID WELLS INTO COMPLIANCE WITH 19.15.25.8 NMAC BY A DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE, DECLARING THE WELLS ABANDONED AND AUTHORIZING THE DIVISION TO PLUG THE WELLS IN LEA COUNTY, NEW MEXICO.

CASE NO. 15128

APPLICATION FOR COMPLIANCE ORDER AGAINST CHARLES SEED, SUCCESSORS, HEIRS, AND ASSIGNS OF LEASE NO. SEED SECTION 30

- 1. Charles Seed ("Operator") is the sole proprietor and is the operator of record of the following wells ("subject wells") in Lea County, New Mexico, section, township and range K-30-18S-38E, under state oil and gas lease no. State 30:
 - API No. 30-025-22994
 - API No. 30-025-22995
 - API No. 30-025-22996
 - API No. 30-025-22997
 - API No. 30-025-22998
 - API No. 30-025-22319
 - API No. 30-025-22320
 - API No. 30-025-22321
 - API No. 30-025-22322

Exhibit 1, Affidavit of Maxey Brown.

- 2. Operator's wells in New Mexico were granted under one lease, State

 Lease 30; Operator has not posted financial assurances to secure its obligation to plug and abandon the wells. *Exhibit 1, Affidavit of Maxey Brown*.
- 3. Division Rule 19.15.25.8 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 wells operated by Operator in New Mexico have been inactive for a continuous period exceeding one year plus 90 days, and are neither plugged and abandoned in accord with Division Rules 19.15.25.9 to -11 NMAC nor on approved temporary abandonment status in accord with Division Rule 19.15.25.12 NMAC. Exhibit 1, Affidavit of Maxey Brown.
- 5. Division Rule 19.15.8.13 NMAC authorizes the Director to order the Operator to plug and abandon any well not in compliance with 19.15.25.8 NMAC and restore and remediate the location by a date certain.
- 6. NMSA 1978, Section 70-2-12(B)(18) and NMSA 1978, Section 70-2-38 authorize the Division to plug and abandon wells, and restore and remediate the location of abandoned wells.

WHEREFORE, Daniel Sanchez, Enforcement and Compliance Manager of the Division, hereby applies to the Director to enter an Order:

- A. Determining that the subject wells are not in compliance with Division Rule 19.15.25.8 NMAC;
- B. Require Operator Charles Seed to plug and abandon each of the subject wells by a date certain;

- C. If the subject wells are not brought into compliance with 19.15.25.8
 NMAC by the date set in the Order, declaring the wells abandoned and authorizing the Division to plug the subject wells in accordance with a Division-approved plugging program and restore and remediate the locations; and
- D. For such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED, this 6 day of April, 2014 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

Attorney for The New Mexico Oil Conservation Division