

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, BY AND THROUGH ITS ATTORNEY FOR A COMPLIANCE ORDER AGAINST HAL J RASMUSSEN OPERATING INC., DIRECTORS, AND OFFICERS, HAROLD JAMES RASMUSSEN, AND GREGORY J. RASMUSSEN, JOINTLY AND SEVERALLY, FINDING THAT THE OPERATOR IS IN VIOLATION OF OCD RULES 19.15.15.9, 19.15.15.10, 19.15.25.8, 19.15.25.11, 19.15.16.8, AND 19.15.28.8 NMAC, REQUIRING OPERATOR TO SHUT IN ALL WELLS AND REVOKING ALL AUTHORITY TO TRANSPORT UNTIL COMPLIANCE WITH ALL DIVISION RULES IS ACHIEVED BY A DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE, ADDITIONAL SANCTIONS WILL BE ASSESSED.

CASE NO. 15187

APPLICATION FOR COMPLIANCE ORDER
HAL J RASMUSSEN OPERATING INC.,

1. Hal J Rasmussen Operating Inc., ("Rasmussen") is a sole proprietor of 12 wells in Lea County, New Mexico, under OGRID No. 9809. *See Exhibit 1, Well List.*
2. Rasmussen has one blanket bond filed with the division, bond no. RLB0012533, from RLI Insurance Co., for the amount of \$50,000. Operator has no other financial assurance on file with the division.
3. Rasmussen's registration with the Secretary of State is listed as "revoked and beyond appeal period."
4. Rasmussen's officers of record are Harold James Rasmussen (President) and Gregory J. Rasmussen (Vice President).
5. Platinum Exploration Inc. ("Platinum") has been subject to several Commission Orders, and currently has not complied with Commission Order R-13190

ordering Platinum to properly plug and abandon their wells. The division had to plug and abandon the wells in those cases with reclamation funds after Platinum's financial assurance was forfeited. *See Exhibit 2, Commission Order R-13190.*

6. The officers of record of Platinum Exploration Inc. (Platinum), OGRID No. 227103, are also Harold James Rasmussen (President) and Gregory J. Rasmussen (Vice President).

7. Platinum currently failed to appear for Case No. 15138 on June 12, 2014, another compliance hearing, and an order against them is pending. *See Exhibit 3, Case No. 15138 Application for Hearing.*

8. The following wells operated by Rasmussen are classified as oil wells but are producing gas only:

- Amoco Stone #1, API No. 30-025-27936
- State E #22, API No. 30-025-02572
- Wilson State #4, API No. 30-025-02578

9. Division Rule 19.15.15.9 dictates acreage and location requirements for oil wells. Oil wells are located on 40 acre spacing units and shall be located no closer than 330 feet from the boundary.

10. Division Rule 19.15.15.10 dictates acreage and location requirements for gas wells. Gas wells require 320 acre spacing and shall be located no closer than 660 feet from the boundary.

11. An oil well that is producing only gas in an oil pool affects correlative rights of lease owners. When a well is drilled as an oil well, but is completed as a gas well that does not conform to the applicable gas well location requirements, the operator shall apply for administrative approval per Division Rule 19.15.15.9 (B).

12. The following wells operated by Rasmussen 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:

- Amoco Stone #1, API No. 30-025-27936
- Gecko 27 State #1, API No. 30-025-33021
- Reed Estate #1, API No. 30-025-07258
- State B #12, API No. 30-025-02541

13. 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.

14. Division Rule 19.15.5.9(A)(4) permits an operator with less than one hundred (100) wells to have no more than two (2) wells out of compliance with Division Rule 19.15.25.8.

15. 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.

16. NMSA 1978, Section 70-2-12 and NMSA 1978, Section 70-2-38 authorize the Division to plug and abandon wells, and restore and remediate the location of abandoned wells.

17. Division Rule 19.15.25.11 NMAC requires an operator to file division form C-103 subsequent to the completion of plugging work to initiate inspection for release within 30 days from the completion of the required restoration work.

18. The following well was plugged on 12/28/2008 and Operator has no filed the required C-103 in accordance with Division Rule 19.15.25.11 NMAC:

- State A #0022, API No. 30-025-08467

19. Division Rule 19.15.16.8 NMAC requires that an operator shall identify wells and related facilities the division regulates by a sign, which shall remain in place until the operator plugs and abandons the well and closes the related facilities.

20. The following well(s) do not have signs on site as required by Division Rule 19.15.16.8 NMAC:

- State A #0022, API No. 30-025-08467

21. Division Rule 19.15.29.8 requires an operator to notify the division of an unauthorized release. Division Rule 19.15.29.11 requires the responsible person to complete division approved corrective action for releases that endanger public health or the environment.

22. Operator's Reed Estate #1 well, API no. 30-025-07258, had a massive release before May 22, 2014 that was not reported to the division and has not been remediated in violation of both Division Rules 19.15.29.8 and 19.15.29.11.

WHEREFORE, the OCD by and through its attorney, Keith Herrmann, , hereby applies to the Director to enter an Order:

- A. Determining that the officers of Platinum are out of compliance with Division Rule 19.15.5.9 as to their duties with Platinum Exploration Inc.
- B. Determining that the following wells are not in compliance with Division Rule 19.15.15.9 NMAC:
 - Amoco Stone #1, API No. 30-025-27936
 - State E #22, API No. 30-025-02572
 - Wilson State #4, API No. 30-025-02578

C. Determining that the following wells are not in compliance with Division Rule 19.15.25.8 NMAC and requiring Operator to plug and abandon the violating wells by a date certain:

- Amoco Stone #1, API No. 30-025-27936
- Gecko 27 State #1, API No. 30-025-33021
- Reed Estate #1, API No. 30-025-07258
- State B #12, API No. 30-025-02541

D. Determining Rasmussen is out of compliance with Division Rule 19.15.5.9 as by having more than the allowed number of wells out of compliance with Division Rule 19.15.25.8.

E. If the violating wells are not brought into compliance with 19.15.25.8 NMAC by the date set in the Order, declaring the well abandoned and authorizing the Division to plug the subject well in accordance with a Division-approved plugging program and restore and remediate the location;

F. Determining that the following wells are not in compliance with Division Rule 19.15.16.8 NMAC and requiring Operator properly identify all wells with correct signage:

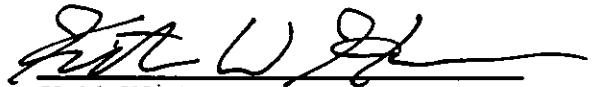
- State A #0022, API No. 30-025-08467

G. Determining that the following wells are not in compliance with Division Rule 19.15.29.8 and 19.15.29.11 NMAC and requiring Operator to complete a division approved abatement plan in accordance with Division Rule 19.15.30 NMAC:

- Reed Estate #1, API No. 30-025-07258

- H. Pursuant to NMSA 1978, Section 70-2-6 and Division Rule 19.15.5.10 NMAC, that all of Rasmussen's wells be shut in and all authorizations to transport be revoked until compliance with all division rules is achieved;
- I. Because of Rasmussen's officers history of failing to comply with Division Orders, if Rasmussen fails to comply with the Division Order, that their OGRID No. 9809 be revoked pursuant to NMSA 1978, Section 70-2-6 and Division Rule 19.15.5.10 NMAC.
- J. For such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,
this 22 day of July, 2014 by



Keith W. Herrmann
Assistant General Counsel
Energy, Minerals and Natural
Resources Department of the State of
New Mexico
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Santa Fe, NM 87505
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Attorney for The New Mexico Oil
Conservation Division

Case No. 15187. Application of the New Mexico Oil Conservation Division, by and through its attorney for a Compliance Order against Hal J Rasmussen Operating Inc., Directors, and Officers, Harold James Rasmussen, and Gregory J. Rasmussen, jointly and severally, finding that the Operator is in violation of OCD rules 19.15.15.9, 19.15.15.10, 19.15.25.8, 19.15.25.11, 19.15.16.8, and 19.15.28.8 NMAC, requiring Operator to shut in all wells and revoking all authority to transport until compliance with all division rules is achieved by a date certain, and in the event of non-compliance, additional sanctions will be assessed.

Exhibit 1: Well List

Well List

9809 HAL J RASMUSSEN OPER INC

Total Well Count:12

Printed On: Tuesday, July 22, 2014

Property	Well Name	Lease Type	Well Status	ULSTR	OCD UL	API	Well Type	Pool		Last Prod/Inj	Oil POD	Gas POD	In Add. Bond
32196	AMOCO STONE #001	P	Active	G-22-15S-38E	G	30-025-27936	O	45480	MEDICINE ROCK;DEVONIAN	8/2006	1237810		9/1/2008
32164	GECKO 27 STATE #001	S	Active	A-27-15S-38E	A	30-025-33021	S	96113	SWD;PENN	8/2006			9/1/2008
14036	KAISER STATE #010	S	Active	N-13-21S-34E	N	30-025-02539	G	64600	WILSON;YATES-SEVEN RIVERS (ASSOC)	2/2014	761810	761830	3/1/2016
	KAISER STATE #014	S	Active	L-13-21S-34E	L	30-025-02543	G	64600	WILSON;YATES-SEVEN RIVERS (ASSOC)	2/2014	761810	2805135	3/1/2016
	KAISER STATE #043	S	Active	M-13-21S-34E	M	30-025-32048	G	64600	WILSON;YATES-SEVEN RIVERS (ASSOC)	2/2014	761810	2807528	3/1/2016
32165	REED ESTATE #001	P	Active	J-22-15S-38E	J	30-025-07258	O	45480	MEDICINE ROCK;DEVONIAN	4/2006	4001381	4001380	5/1/2008
14038	STATE 23 #025	S	Active	F-23-21S-34E	F	30-025-02579	O	64600	WILSON;YATES-SEVEN RIVERS (ASSOC)	2/2014	761810	761830	3/1/2016
9491	STATE A #002	S	Plugged, Not Released	P-16-21S-34E	P	30-025-08467	O						
15814	STATE A/C 1 #125	S	Cancelled Apd	N-22-23S-36E	N	30-025-30998	O						
9505	STATE B #012	S	Active	I-13-21S-34E	I	30-025-02541	G	64600	WILSON;YATES-SEVEN RIVERS (ASSOC)	7/2009	2805132	2805133	8/1/2011
14039	STATE E #022	S	Active	K-23-21S-34E	K	30-025-02572	O	64600	WILSON;YATES-SEVEN RIVERS (ASSOC)	2/2014	761810	761830	3/1/2016
14044	STATE P #006	S	Active	B-24-21S-34E	B	30-025-30334	G	64600	WILSON;YATES-SEVEN RIVERS (ASSOC)	2/2014	763810	763830	3/1/2016
14041	WILSON STATE #004	S	Active	I-23-21S-34E	I	30-025-02578	O	64600	WILSON;YATES-SEVEN RIVERS (ASSOC)	2/2014	761810	761830	3/1/2016

Exhibit 2: Commission Order R-13190

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF CONSIDERING THE:**

**CASE NO. 14380
ORDER NO. R-13190**

AMENDED APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER UNDER NMSA 1978, SECTION 70-2-14(B) AGAINST PLATINUM EXPLORATION INC. AND/OR DEVONIAN PARTNERS, LLC, FINDING THAT THE OPERATOR IS IN VIOLATION OF 19.15.25 NMAC OR 19.15.7.24 NMAC, 19.15.8.9 NMAC, 19.15.29.11 NMAC, 19.15.16.8 NMAC AND 19.15.9.8-9 NMAC, REQUIRING OPERATOR TO RETURN ITS WELLS TO COMPLIANCE OR PROPERLY PLUG AND ABANDON ALL ITS WELLS BY A DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE AUTHORIZING THE DIVISION TO PLUG AND ABANDON THE WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 15, 2009, at Santa Fe, New Mexico, before Examiner Terry Warnell.

NOW, on this 12th day of November, 2009, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due notice has been given, and the Division has jurisdiction of the subject matter of this case.

(2) The Division seeks an order determining the operator or operators responsible for certain wells; finding the responsible operator(s) in violation of 19.15.25 NMAC or 19.15.7.24 NMAC, 19.15.8.9 NMAC, 19.15.29.11 NMAC, 19.15.16.8 NMAC and/or 19.15.9.8-9 NMAC; requiring the responsible operator(s) to return the wells to compliance or plug the wells by a date certain, pursuant to NMSA 1978, Section 70-2-14(B); and authorizing the Division to plug and abandon all the wells and forfeit the

applicable financial assurances if the responsible operator or operators fail to meet that deadline.

(3) The Division named Platinum Exploration, Inc. and Devonian Partners LLC as respondents in this action.

(4) Neither Platinum Exploration, Inc. nor Devonian Partners LLC entered an appearance in this action.

(5) The Division appeared at the hearing through legal counsel and presented the following testimony.

(6) Division records identify Platinum Exploration, Inc. (Platinum) as the operator of record of the following wells under OGRID 227103:

- Barnhill #001, L-1-14S-37E, 30-025-28198
- Cooper #001, 3-2-17S-38E, 30-025-28166
- Gulf State #003, 3-4-16S-38E, 30-025-07270
- O A Woody #001, E-35-16S-38E, 30-025-26361
- Post #001, N-1-14S-37E, 30-025-27984
- Post #002, M-1-14S-37E, 30-025-28295
- Post #3, D-12-14S-37E, 30-025-28576
- Rose Eaves #002, P-35-16S-38E, 30-025-07291
- Smith #001, F-13-14S-37E, 30-025-28478
- Warren State #001, P-35-15S-37E, 30-025-34034

(7) Devonian Partners, LLC (Devonian) is not registered as an operator in New Mexico.

(8) Subsection O of 19.15.2.7 NMAC defines "operator" as "a person who, duly authorized, is in charge of a lease's development or a producing property's operation, and who is in charge of a facility's operation or management."

(9) In correspondence from Devonian to the surface owner, Devonian represented that it had succeeded Platinum in its interests related to the Barnhill #1, Post #1, Post #2 and Post #3 wells, and had succeeded Platinum in its obligations under the surface lease as to those wells. The correspondence indicated that Devonian was working with the surface owner directly, and not through a contract operator.

(10) The Division presented evidence on the following violations:

a. **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. Only one of the wells, the Post #1, is on approved temporary abandonment status. The remaining wells have been inactive for a continuous period in excess of one year plus ninety days and are neither plugged and abandoned nor on approved temporary abandonment status.

b. **Rule 19.15.8.9 NMAC** requires operators to post a single-well financial assurance for each state or fee well that has been inactive for a period of more than two years. All ten of the wells are state or fee wells that have been inactive for more than two years; therefore they all require single well financial assurances under 19.15.8.9 NMAC. None of the wells is covered by a single-well financial assurance. Platinum has posted a \$50,000 letter of credit.

c. **Rule 19.15.29.11 NMAC** requires the responsible person to complete division-approved corrective action for releases that endanger public health or the environment. The Division conducted inspections of the Post lease on June 24, 2009 and July 27, 2009. During both inspections, the Division found releases, including oil leaking from the wellhead of the Post #003. The Division sent two letters to Platinum notifying it of the leak and requiring Platinum to take corrective action. The site has not been remediated.

d. **Rule 19.15.16.8 NMAC** requires operators to identify wells and related facilities by signs. The operator has not posted well signs identifying it as the operator of at least three of its wells: the Barnhill #001, the Post #002, and the Post #003.

e. **19.15.9.8-9 NMAC** requires an operator of wells in New Mexico to register with the Division as an operator prior to commencing operations. The operator must post financial assurances and provide a current address of record and emergency contact information. When the entity responsible for a well or group of wells changes, the operator of record with the Division and the new operator shall file a change of operator application, and "the new operator shall not commence operations until the division approves the application for change of operator." 19.15.9.9 NMAC. The evidence indicates that Devonian has been operating the Barnhill #1, Post #1, Post #2 and Post #3 wells without registering as an operator in New Mexico and without becoming the operator of record for the wells.

11. NMSA 1978, Section 70-2-14(B) provides, in relevant part, "If any of the requirements of the Oil and Gas Act [70-2-1 NMSA 1978] or the rules promulgated pursuant to that act have not been complied with, the oil conservation division, after notice and hearing, may order any well plugged and abandoned by the operator or surety or both in accordance with division rules."

The Division determined the following:

12. Platinum is the operator of record for all ten wells, and responsible for the compliance of those wells.

13. Devonian is the operator in fact of the Barnhill #1, Post #1, Post #2 and Post #3 wells, and is jointly responsible with Platinum for the compliance of those wells.

14. Platinum is in violation of the following rules: 19.15.25 NMAC (the inactive well rule) as to all wells except the Post #1; 19.15.8.9 NMAC (the financial assurance rule) as to all wells; 19.15.29.11 NMAC (the corrective action for release rule) as to the Post #3; and 19.15.16.8 NMAC (the well sign rule) as to the Barnhill #1, the Post #2 and the Post #3.

15. Devonian is in violation of the following rules: 19.15.25 NMAC (the inactive well rule) and 19.15.16.9 NMAC (the well sign rule) as to the Barnhill #1, the Post #2 and the Post #3; 19.15.8.9 NMAC (the financial assurance rule) as to the Barnhill #1, the Post #1, the Post #2, and the Post #3; and 19.15.29.11 NMAC (the corrective action for release rule) as to the Post #3. Devonian is also in violation of 19.15.9.8 and 19.15.9.9 NMAC based on its operation of the wells without registering as an operator and becoming the operator of record for the wells.

IT IS THEREFORE ORDERED THAT:

(1) Platinum Exploration Inc., (OGRID 227103) shall return the following wells to compliance with 19.15.25 NMAC (the inactive well rule) and 19.15.8.9 NMAC (the financial assurance rule) or plug and abandon the wells by May 1, 2010:

Cooper #001, 30-025-28166
Gulf State #003, 30-025-07270
O A Woody #001, 30-025-26361
Rose Eaves #002, 30-025-07291
Smith #001, 30-025-28478
Warren State #001, 30-025-34034

(2) Platinum Exploration Inc. (OGRID 227103) and Devonian Partners, LLC shall return the following wells to compliance with the indicated rules or plug and abandon the wells by May 1, 2010:

a. 19.15.25 NMAC (the inactive well rule) and 19.15.16.9 (the well sign rule): Barnhill #001, 30-025-28198, Post #002, 30-025-28295, Post #003, 30-025-28576

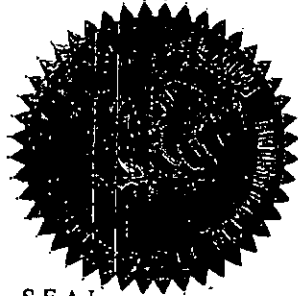
b. 19.15.8.9 NMAC (the financial assurance rule): Barnhill #001, 30-025-28198, Post #001, 30-025-27984, Post #002, 30-025-28295, Post #003, 30-025-28576

c. 19.15.29.11 NMAC (the corrective action for release rule): Post #003, 30-025-28576

(3) After May 1, 2010, the Division may plug and abandon any well that remains out of compliance with the indicated rules, remediate the well site and forfeit the applicable financial assurance.

- (4) Wells may be transferred to another operator, acceptable to the Division.
- (5) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year designated above.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, reading "Mark E. Fesmire".

MARK, E. FESMIRE, P.E.
Director

Exhibit 3: Case No. 15138 Application for Hearing

**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 PLATINUM EXPLORATION, INC.
FINDING THAT THE OPERATOR IS IN VIOLATION OF 19.15.25.8 NMAC AS
TO ONE WELL, REQUIRING OPERATOR TO BRING SAID WELL INTO
COMPLIANCE WITH 19.15.25.8 NMAC BY A DATE CERTAIN, AND IN THE
EVENT OF NON-COMPLIANCE, DECLARING THE WELL ABANDONED
AND AUTHORIZING THE DIVISION TO PLUG THE WELL IN LEA COUNTY,
NEW MEXICO.**

CASE NO. 15138

**APPLICATION FOR COMPLIANCE ORDER
AGAINST PLATINUM EXPLORATION, INC.**

1. Platinum Exploration, Inc. ("Operator") is a sole proprietor and is operating the following well ("subject well") in Lea County, New Mexico, under OGRID No. 227103:

- Rose Eaves #1, N-35-16S-38E, API No. 30-025-07290

Exhibit 1, Affidavit of Maxey Brown.

2. Operator has not posted financial assurances to secure its obligation to plug and abandon the well. *Exhibit 1, Affidavit of Maxey Brown.*

4. 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.

5. The subject well operated by Operator in New Mexico has been inactive for a continuous period exceeding one year plus 90 days, and is 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 I, Affidavit of Maxey Brown.*

6. Operator's status as a foreign profit corporation is shown to be cancelled by the New Mexico Secretary of State. *Exhibit I, Affidavit of Maxey Brown.*

7. 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.

8. NMSA 1978, Section 70-2-12 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 well is not in compliance with Division Rule 19.15.25.8 NMAC;
- B. Requiring Operator Platinum Exploration, Inc. to plug and abandon the subject well by a date certain;
- C. If the subject well is not brought into compliance with 19.15.25.8 NMAC by the date set in the Order, declaring the well abandoned and authorizing the Division to plug the subject well in accordance with a Division-approved plugging program and restore and remediate the location;
- D. For such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,
this 23rd 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

Case No. 15/38 Application of the New Mexico Oil Conservation Division for a Compliance Order against Platinum Exploration, Inc. The Applicant seeks an Order finding that Operator is in violation of Division Rule 19.15.25.8 NMAC as to one well, requiring operator to bring the well into compliance with Division Rule 19.15.25.8 NMAC by a date certain, and authorizing the Division to plug said well in the event of non-compliance. The affected well is Rose Eaves #1, located in Lea County, New Mexico, section, township and range, N-35-16S-38E, API No. 30-025-07290.

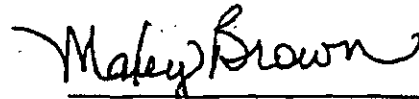
APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER FOR A
COMPLIANCE ORDER AGAINST PLATINUM EXPLORATION, INC.
FINDING THAT THE OPERATOR IS IN VIOLATION OF 19.15.25.8 NMAC AS
TO ONE WELL, REQUIRING OPERATOR TO BRING SAID WELL INTO
COMPLIANCE WITH 19.15.25.8 NMAC BY A DATE CERTAIN, AND IN THE
EVENT OF NON-COMPLIANCE, DECLARING THE WELLS ABANDONED
AND AUTHORIZING THE DIVISION TO PLUG THE WELL IN LEA COUNTY,
NEW MEXICO.

6. I have researched the ONGARD records for production and injection information regarding well Rose Eaves #1, located in Lea County, New Mexico, section.

township and range, N-35-16S-38E, API No. 30-025-07290. ONGARD contains no production or injection records for these wells since June 2006.

7. Operator is operating under OGRID #227103; Operator has not posted financial assurances to secure its obligation to plug and abandon the well.

8. The subject well operated by Operator in New Mexico has been inactive for a continuous period exceeding one year plus 90 days, and is 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.



Maxey Brown

SUBSCRIBED AND SWORN before me this 23rd day of April, 2014.


Notary Public

My Commission Expires:

Feb 17, 2016