

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

RECEIVED OCD

2014 AUG 13 P 4: 13

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR A COMPLIANCE ORDER AGAINST DESERT ROSE RESORT LLC DBA KOA KAMPGROUND, FINDING THAT THE OPERATOR IS IN VIOLATION OF DIVISION RULE 19.15.16.11 NMAC AS TO ONE WELL, REQUIRING OPERATOR TO BRING SAID WELL INTO COMPLIANCE WITH 19.15.16.11 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 SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 15186

PRE-HEARING STATEMENT

Applicant Oil Conservation Division ("OCD") is seeking an order declaring:

1. The subject well, Hare #001, O-14-29N-11W, API No. 30-045-08185, in San Juan County, New Mexico, is out of compliance with 19.15.16.11 NMAC.
2. That operator, Desert Rose Resort LLC DBA KOA Kampground ("Desert Rose"), plug and abandon the well by a date certain.
3. If Desert Rose does not plug and abandon the well, that they be found out of compliance with a division order and authorizing the OCD to plug and abandon the well and recover costs from Desert Rose in accordance with Division Rule 19.15.8.13 NMAC.
4. That operator is out of compliance with 19.15.5.9 (A)(4) by having 1 out of 1 well(s) out of compliance with 19.15.25.8.

The OCD supports the approval because of the following:

1. Notice of Hearing was properly served as required by 19.15.4.9 NMAC and 19.15.4.10 NMAC.
2. Operator filed an application to plug and abandon the well on 5/30/2013, but has not yet commenced plugging activity as required by the division and made no attempt to contact the division.
3. Desert Rose has posted financial assurance in the form of a \$5,000 cash bond, Wells Fargo Farmington Bond No. OCD-726 to secure its obligation to plug and abandon the well.
4. The officers of record of Platinum Desert Rose are Adele E. Eckert, William Eckert, and Thomas R. Sikorski.
5. The casing of the subject well was discovered to be leaking on 10/29/2013, and the operator agreed to plug and abandon the well rather than repair the casing.

PETITIONERS'S PROPOSED EVIDENCE

WITNESS:

ESTIMATED TIME: 15 minutes

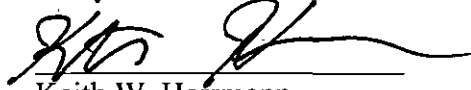
Daniel Sanchez, NMOCD Compliance & Enforcement Manager

Testimony on compliance with OCD Rules.

PROCEDURAL MATTERS

None.

Respectfully submitted
this 13 day of August 2014 by

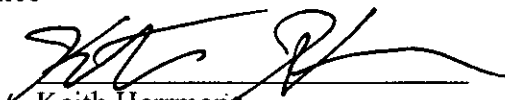


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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was electronically mailed to the following party on August 13, 2014:

No opposing party has entered an appearance



Keith Herrmann