

**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, THROUGH THE ENFORCEMENT AND COMPLIANCE BUREAU, BY AND THROUGH ITS ATTORNEY, 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

APPLICATION TO SHOW CORRECTED SERVICE AND ALLOW OCD TO COLLECT FINANCIAL ASSURANCE

1. The Oil Conservation Division ("Division") issued Order No. R-13894 on September 17, 2014 requiring Desert Rose Resort, LLC DBA KOA Kampground ("Desert Rose") to plug and abandon its Hare Well No. 001 (API No. 30-045-08185) ("subject well") in San Juan County, New Mexico, within 60 days from the issuance of Order No. R-13894.

2. Order No. R-13894 further stipulated that, should Desert Rose fail to comply with the plugging requirement, the Division may plug and abandon the subject well and collect the applicable financial assurance and recover costs from Desert Rose in accordance with Rule 19.15.8.13 NMAC.

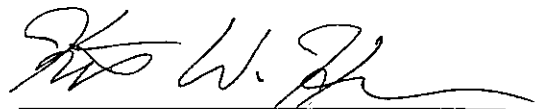
3. Subsequent to the issuance of Order No. R-13894, it was discovered that the Enforcement and Compliance Bureau ("Bureau") incorrectly described Desert Rose's financial assurance for the subject well as "financial assurance in the form of a \$5,000

cash bond. Wells Fargo Farmington Bond No. OCD-726" and incorrectly served notice of the hearing in Case No. 15186 to a Wells Fargo Bank, NA branch located at 100 E. Broadway, Farmington, New Mexico 87401. Accordingly, and in response to the Bureau's motion, the Division entered an order, Order 13894-A, reopening the case and granting the Bureau's request to serve Wells Fargo Bank, NA, successor in interest to Wells Fargo Bank New Mexico, NA. ("Wells Fargo")

4. The Bureau now seeks to present corrected service of notice to Wells Fargo, of its intent to call financial assurance for the plugging of the subject well.

5. Once the Hearing Examiner is satisfied with proof of corrected service pursuant to Order 13894-A, the Bureau seeks an order reflecting corrected service has been made on Wells Fargo and the Division may, therefore, collect any applicable financial assurance and pursue other available remedies to the division under the law.

RESPECTFULLY SUBMITTED,
this 15 day of September, 2015
by



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Case No. 15186. Application to Show Corrected Service and Allow OCD to Collect Financial Assurance

Case No. 15186. Application of OCD Compliance and Enforcement Bureau to Show Corrected Service and Allow OCD to Collect Financial Assurance. Applicant in above referenced case discovered an error in notice in OCD Case No. 15186. Pursuant to Order R-13894-A, the case has been reopened to allow applicant to present proof of corrected service.