

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

2017 07 25 12 00

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE
ORDER AGAINST RHOMBUS OPERATING CO, LTD, FOR WELLS
OPERATED IN LEA COUNTY, NEW MEXICO**

CASE NO 15704

APPLICATION

The New Mexico Oil Conservation Division Compliance and Enforcement Bureau (Bureau) through its undersigned attorney hereby files this application with the Oil Conservation Division (OCD or Division) pursuant to the provisions of NMSA 1978 §70 2-12 for a compliance order (1) determining operator Rhombus Operating Co Ltd (Operator) is out of compliance with 19 15 8 NMAC and NMSA 1978 § 70 2-14 (2) requiring Operator to return to compliance with 19 15 8 NMAC and (3) in the event of non compliance finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance This application deals specifically with Operator s violations of OCD rules regarding financial assurance and does not include all violations that may exist The OCD retains its right to bring a compliance action for any other existing and future violations In support of this application the OCD states

1 Operator is a foreign limited partnership that operates 49 wells in Lea County New Mexico under OGRID No 19111

2 Operator s address of record with OCD is P O Box 627 Littleton CO 80160-0627

3 The New Mexico Secretary of State has Operator registered under registration number 2355 and identifies Norman D Ewart as registered agent

4 NMSA 1978 § 70 2-14 requires that each person firm corporation or association who operates any oil gas or service well within the state as a condition precedent to drilling or producing the well furnish financial assurance in the form of an irrevocable letter of credit or a cash or surety bond or a well specific plugging insurance policy to the OCD running to the benefit of the state and conditioned that the well be plugged and abandoned and the location restored and remediated in compliance with OCD rules

5 19 15 8 9 C NMAC states that an operator shall cover a well that has been in temporary abandonment for more than two years by either a one well financial assurance or a blanket plugging financial assurance for wells in temporarily abandoned status

6 Operator currently is in need of acceptable financial assurance for the following wells

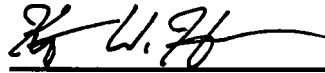
- a Northwest Eumont Unit #102 API # 30-025-03991 \$9 050 required bond amount
- b Northwest Eumont Unit #112 API # 30 025 04016 \$9 130 required bond amount
- c Northwest Eumont Unit #116 API # 30 025 04017 \$9 200 required bond amount
- d Northwest Eumont Unit #117 API # 30-025 04018 \$9 280 required bond amount

- e Northwest Eumont Unit #127 API # 30 025-04026 \$9149 required bond amount
- f Northwest Eumont Unit #131 API # 30-025-04036 \$9 040 required bond amount
- g Northwest Eumont Unit #139 API # 30 025 04074 \$8 950 required bond amount
- h Northwest Eumont Unit #146 API # 30-025-04089 \$9 086 required bond amount
- i Northwest Eumont Unit #158 API # 30 025 04097 \$9 083 required bond amount
- j Northwest Eumont Unit #162 API # 30-025-04114 \$8 950 required bond amount

WHEREFORE the Bureau by and through its compliance and enforcement manager hereby applies to the Director to enter an Order

- A Determining that Operator is in violation of 19 15 8 NMAC
- B Determining that Operator is in violation of NMSA 1978 § 70-2-14
- C Requiring Operator to provide the OCD with acceptable financial assurance within 30 days of the issuance of an order
- D In the event of non compliance with the sought Division order by the dates established by the OCD finding the Operator in violation of a Division order
- E For such other and further relief as the Director deems just and proper under the circumstances

RESPECTFULLY SUBMITTED
this 25 day of April 2017 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
Fax (505) 476 3462

Attorney for the Compliance and
Enforcement Bureau

Case No 15704 **Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Rhombus Operating Co , Ltd , for Wells Operated in Lea County, New Mexico** The New Mexico Oil Conservation Division Compliance and Enforcement Bureau (Bureau) through its undersigned attorney hereby files this application with the Oil Conservation Division (OCD or Division) pursuant to the provisions of NMSA 1978 §70-2-12 for a compliance order (1) determining operator Rhombus Operating Co Ltd (Operator) is out of compliance with 19 15 8 NMAC and NMSA 1978 § 70 2-14 (2) requiring Operator to return to compliance with 19 15 8 NMAC and (3) in the event of non compliance finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance

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