

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach Division Director
Oil Conservation Division



December 27, 2016

Elmira T Welch
3501 146th Street
Lubbock, TX 79423

Re Notice of Enforcement Action

Certified Mail #7012 0470 0001 5967 3710

Dear Operator

Pursuant to 19 15 5 9 B NMAC, the Oil Conservation Division (OCD) hereby provides written notice to you that OCD intends to bring an enforcement action against you, as you are not in compliance with 19 15 5 9 A NMAC. Specifically, you are out of compliance with the following requirements

 Financial Assurance (19 15 5 9 A 1)

 An Order Requiring Corrective Action (19 15 5 9 A 2)

 X Wells to Be Properly Abandoned (19 15 5 9 A 4)

If you have any questions or concerns about this letter or any other compliance related matter, please contact Daniel Sanchez at (505) 476-3493

Kind regards,


Daniel Sanchez
OCD Compliance and Enforcement Manager

Exhibit 2 Relevant Well Information
OCD Case # 15653
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OIL CONSERVATION DIVISION
ENERGY MINERALS AND
NATURAL RESOURCES DEPARTMENT
1220 SOUTH SAINT FRANCIS DRIVE
SANTA FE NEW MEXICO 87505

CERTIFIED MAIL

NEOPOST

FIRST-CLASS MAIL

12/27/2016

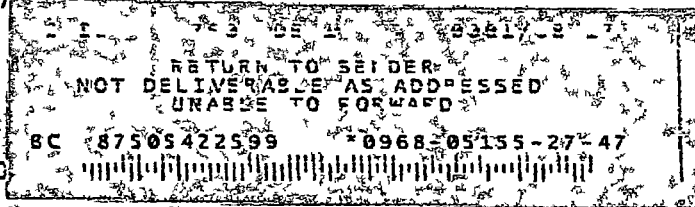
US POSTAGE \$003 76⁵

7012 0470 0001 5967 3710



ZIP 87505
041M11273712

Elmura T Welch
3501 146th Street
Lubbock, TX 79422



470
754209580060

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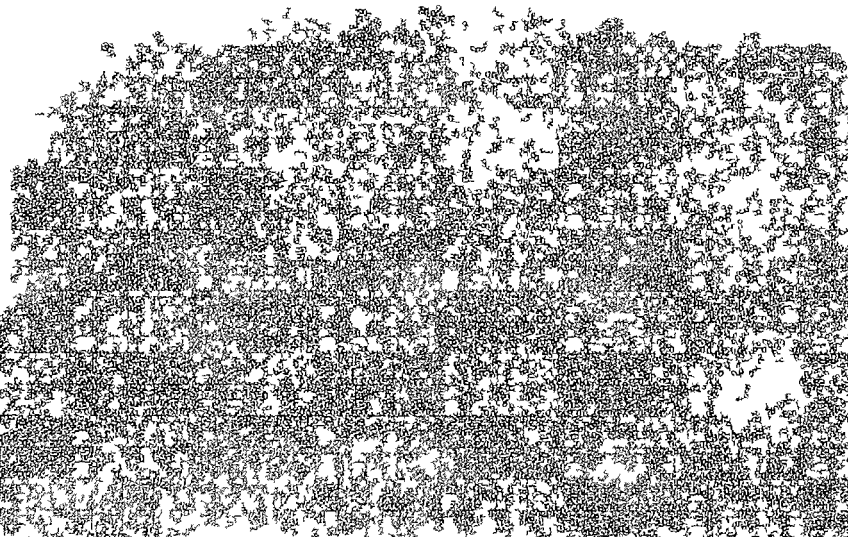


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SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece or on the front if space permits.

1 Article Addressed to

ELMIRA T WELCH
3501 146th STREET
LUBBOCK, TX 79423

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

- D. Is delivery address different from Item 1? ☐ Yes
If YES, enter delivery address below ☐ No

3 Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ COD

4 Restricted Delivery? (Extra Fee)

- ☐ Yes

2 Article Num
(Transfer from)

7012 0470 0001 5967 3710

PS Form 3811 February 2004

Domestic Return Receipt

102595-02-11-1640

Exhibit 2 Relevant Well Information

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SIGN-IN HELP

Wells Operator Data

OCD Permitting

Home Wells Well Details

30-015-02167 CHEESMAN #002 [17794]**General Well Information**

Operator	[7192] ELMIRA T WELCH		
Status	Active	Direction	Vertical
Well Type	Oil	Multi-Lateral	No
Work Type	Re-entry	Lease Type	State
Surface Location	B-34 18S 28E 250 FNL 2355 FEL		
Lat/Long	32 7108841 104 1631889 NAD83		
GL Elevation	3544	Sing/Mult Compl	
		Potash Waiver	False

Proposed Formation and/or Notes

GRAYBURG

Depths

Proposed	2300	Total Vertical Depth	2340
Measured Vertical Depth	2340	Plugback Measured	0

Formation Tops

Formation	Top	Producing
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Event Dates

Initial APD Approval	08/16/1979	Current APD Expiration	08/16/1981
Most Recent APD Approval	08/16/1979		
APD Cancellation			
APD Extension Approval			
Spud	01/01/1925	Gas Capture Plan Received	
Approved Temporary Abandonment		TA Expiration	
Shut In			
Plug and Abandoned Intent Received			
Well Plugged		PNR Expiration	
Site Release		Last MIT/BHT	
Last Inspection	01/24/2017		

History

Effective Date	Property	Well Name	Operator	C 101 Work Type	Well Type	Well Status	Apd Cancelled	Plug Date
08/16/1979	[17794] CHEESMAN	#002	[7192] ELMIRA T WELCH	Re-entry	Oil	Active		

Comments**Quick Links**[General Well Information](#)[History](#)[Comments](#)[Operator](#)[Pls](#)[Casing](#)[Well Completions](#)[Financial Assurance](#)[Compliance](#)[Complaints, Incidents and Spills](#)[Orders](#)[Production](#)[Transports](#)[Points of Disposition](#)**Associated Images**[Well Files](#)[Well Logs](#)[Administrative Orders](#)**New Searches**[New Well Search](#)

3/29/2017

OCD Permitting Well Details

Exhibit 2 Relevant Well Information

SIGN-IN HELP

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Wells Operator Data

Company [7192] ELMIRA T WELCH

Address

Country

Main Phone

Central Contact Person

Name

Title

Phone

Fax

Cell

E-Mail Address

Pits

No Pits Found

Casing

No Casing Found

Well Completions

[3230] ARTESIA QUEEN-GRAYBURG-SAN ANDRES

Status Active

Last Produced

Bottomhole Location B-34 18S-28E 250 FNL 2355 FEL

Lat/Long

Acreage 40 34-18S-28E Units B

DHC No

Consolidation Code

Test

Production Method

Oil Volume 0 0 bbls

Gas Volume 0 0 mcf

Water Volume 0 0 bbl

Perforations

Date

Top Measured Depth
(Where Completion Enters Formation)Bottom Measured Depth
(End of Lateral)

Notes

Event Dates

Initial Effective/Approval 08/18/1979

Most Recent Approval 08/18/1979

Confidential Requested On:

TA Expiration

Confidential Until

Test Allowable Approval

Test Allowable End

Production Test

DHC

TD Reached

Rig Released

Directional Report Received No

Logs Received

No

Directional Survey Received No

Closure Plot Received

Exhibit 2 Relevant Well Information

SIGN IN HELP

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Wells Operator Data

Well Completion History

Effective Date	Property	Well Number	Operator	Completion Status	TA Expiration Date
08/16/1979	[17794]CHEESMAN	#002	[7192]ELMIRA T WELCH	Active	

Financial Assurance

Bond Id	Bond Type	Amount	Issuer	Cash/Surety	Issuer Bond Number	Bond Cancellation Date
1151	Single Well	5000	TRAVELERS INDEMNITY CO	Surety	427F250-4	

Requests to release bonds must be submitted in writing. You may send an e-mail to Denise.Gallecos@state.nm.us or fax a letter to (505) 476 3453.

Compliance

Note that Financial Assurance and Inactive Well Compliance are documented in separate reports ([Inactive Well Report](#), [Financial Assurance Report](#)).

Also note that some compliance issues are addressed at the operator level so not listed under each well.

TM1620330604 Date of Violations 07/21/2016 Violations Identification (Well Sign) Operation/Maintenance

Date of Violation 07/21/2016

Compliance Required Resolved

Notes

SMALL PIT PIT DRY BUT STAINED OPEN ENDED TUBING STICKING OUT OF GROUND NO LOCATION MARKER OR SIGN

Notifications

Notification	Notification Date	Enforcement
Letter of Violation (Number in Comments)	07/21/2016	Letter of Violation

Corrective Actions

Corrective Action	Date
-------------------	------

VAB0200346881 Date of Violations 01/03/2002 Violations Operation/Maintenance

Date of Violation 01/03/2002

Compliance Required Resolved 08/18/2003

Notes

Mike Welch said it was from his mother's estate 808 748-3501 Given to David Brooks

3/29/2017

OCD Permitting Well Details

[SIGN IN](#) [HELP](#)

Exhibit 2 Relevant Well Information

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Wells Operator Data

	01/03/2002	
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Corrective Actions

Corrective Action	Date
Other Corrective Action(Explain)	08/18/2003

Complaints, Incidents and Spills

No Incidents Found

Please note that incidents that impact ground water are recorded along with "leak" which may not be wells so although the initial report may be recorded here as a spill information related to the abatement plans remedial plans and ground water impact information are not yet part of this application

Orders

No Orders Found

Production / Injection

Earliest Production in OCD Records

Last

[Show All Production](#)[Export to Excel](#)

Production					Injection				
Time Frame	Oil(BBLS)	Gas(MCF)	Water (BBLS)	Days P/I	Water (BBLS)	CO2(MCF)	Gas(MCF)	Other	Pressure
Grand Total	0	0	0	0	0	0	0	0	N/A

Transporters

Transporter	Product	Most Recent for Property
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Points of Disposition

ID	Type	Description	Point(s)
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1220 South St. Francis Drive | Santa Fe, NM 87505 | P: (505) 476-3200 | F: (505) 476-3220

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3/29/2017

OCD Permitting Well Details

**Exhibit 2 Relevant Well
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State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David Catanach, Director
Oil Conservation Division



Response Required Deadline Enclosed

*Field Inspection Program
Preserving the Integrity of Our Environment*

21 Jul 16

ELMIRA T WELCH
3501 146TH ST
LUBBOCK TX 79423

LETTER OF VIOLATION Inspection

Dear Operator

The following inspection(s) indicate that the well equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

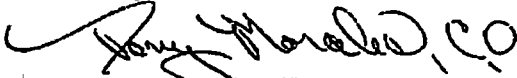
Please notify the proper district office of the Division in writing of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

CHEESMAN No.002		B 34-18S 28E		30-015-02167 00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By
07/21/2016	Routine/Periodic	Tony Morales	Yes	No	10/24/2016
Violations		Inspection No.			
Absent Well Identification Signs (Rule 103)		ITM1620330555			
Idle well (Rule 201)					
Comments on Inspection		Idle Well (Rule 201) ?			
		SMALL PIT PIT DRY BUT			
		STAINED OPEN ENDED TUBING STICKING OUT OF GROUND NO LOCATION			
		MARKER OR SIGN			

In the event that a satisfactory response is not received to this letter of direction by the Corrective Action Due By. date shown
above further enforcement will occur. Such enforcement may include this office applying to the Division for an order
summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently
plug and abandon this well.

Sincerely,



Artesia OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries. Not all blanks will contain data.
*Significant Non-Compliance events are reported directly to the EPA Region VI Dallas Texas

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New Mexico Energy, Minerals and Natural Resources Department

Susana Martínez
Governor

John H Bemis
Cabinet Secretary-Designate

Brett F Woods Ph D
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



August 23 2011

Elmura T Welch
3501 146th Street
Lubbock, TX 79423

Re \$5,000 One-Well Plugging Bond
Elmura T Welch, Principal
Travelers Indemnity Company, Surety
API 30-015-02167
Chessman No 2
250' FNL and 2355' FEL
Section 34, Township 18 South, Range 28 East
Eddy County, NM
Bond No 427F250 4

Ladies and Gentlemen

Effective on January 1 2008 the New Mexico Oil Conservation Division increased the required amount of single well financial assurances to \$5 000 plus \$1 per foot of measured depth of the well for wells in Chaves Eddy Lea, McKinley Río Arriba Roosevelt Sandoval or San Juan Counties. As a result of this increase the referenced financial assurance is no longer sufficient.

You are accordingly hereby notified that you must replace this financial assurance with an acceptable single well financial assurance (surety bond cash bond or letter of credit) in the amount of **\$7,340**. Please furnish the required new financial assurance to Dorothy Phillips Bond Administrator in the Division's Santa Fe Office at the address shown below not later than [next business day on or after 30 days after date of the letter].

Failure to comply with this requirement will result in your being deemed out of compliance with Rule 59 [19 15 59 NMAC] and may result in denial of future applications for permits from the Division.

Sincerely,

David K. Brooks
Legal Examiner

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Inactive Well Additional Financial Assurance Report

Page 1 of 1

Inactive Well Additional Financial Assurance Report

7192 ELMIRA T WELCH

Total Well Count: 1

Printed On: Tuesday August 23 2011

Property	Well	Area	Lease Type	ULSTR	OCD Unit Letter	API	Well Type	Last Prod/Inj	Inactive Additional Bond Due	Measured Depth	Required Bond Amount	Bond Required Now	Bond In Place	In Violation
17794	CHEESMAN #002		S	B 34 18S 28E	B	30 015 02167	O			2340			0	

WHERE Ogrid 7192

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