

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

2017 JUL -31 3:27

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

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE ORDER
AGAINST JACK J. GRYNBERG, FOR WELLS OPERATED IN CHAVES
COUNTY, NEW MEXICO.**

**CASE NO. 15735
ORDER NO. R-14418**

STIPULATED ORDER OF THE DIVISION

In response to the Application for a Compliance Order filed by the Compliance and Enforcement Bureau ("Bureau") of the Oil Conservation Division in the above referenced case, the Bureau and Jack J. Grynberg ("Grynberg" or "Operator") agree to the following Stipulated Order.

FINDINGS

- (1) Due public notice has been given, and the Division has jurisdiction of this case and of the subject matter.
- (2) The Bureau seeks a compliance order against Grynberg finding the Operator is in violation of 19.15.8.9 NMAC and NMSA 1978, Section 70-2-14 (2015) as to two (2) wells (the "Subject Wells").
- (3) The Operator is registered under OGRID No. 11492.
- (4) The Bureau maintains a public database, through its *E-permitting* website, summarizing the well status for all current operators in New Mexico. This database also identifies the wells in violation of the financial assurance requirements along with the corresponding amount for each well necessary to satisfy the financial assurance.
- (5) Both of the Subject Wells are inactive in excess of a period of one (1) year plus ninety (90) days, and are not plugged or abandoned, nor placed in status of approved temporary abandonment based on the production reports which determine the inactive well list. Therefore, these inactive Subject Wells are classified with a status of "temporary abandonment" as defined in 19.15.2.7(T)(3) NMAC.

(6) The Subject Wells have been in temporary abandonment in excess of a period of two (2) years, and additional bonding is now required by 19.15.8.9(C) NMAC as follows:

- (a) Grynberg 14 State Com #001, API # 30-005-61173, \$9,701 required bond amount;
- (b) Mewbourne State 25 Com #001, API # 30-005-60577, \$13,363 required bond amount.

(7) The Bureau notified the Operator of the violations in a Division correspondence dated June 16, 2016, sent via certified mail.

(8) Following the return mailings, the Bureau provided notice of the hearing application for a compliance order via certified mail to the known address as required by 19.15.4.12(B) NMAC.

(9) Based on Division records, none of the Subject Wells are included in an agreed compliance order between the Division and the Operator.

CONCLUSIONS

(1) Grynberg is the operator of record for the Subject Wells and is responsible for compliance with the Oil and Gas Act and Division rules.

(2) 19.15.5.10(B) NMAC authorizes the Division to commence compliance proceedings for violation of a provision of the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38 or a provision of a rule or order issued pursuant to the Act.

(3) Grynberg does not dispute that it is in violation of 19.15.8.9 NMAC. The Operator is required to have additional financial assurance on the Subject Wells, as they have been in temporary abandonment for more than two years and the Operator has failed to provide the Division with the requisite financial assurance for the Subject Wells.

(4) Grynberg should be required to provide the Division with the requisite financial assurance to continue operations in the State of New Mexico.

IT IS THEREFORE ORDERED THAT:

(1) Grynberg shall provide the Division with acceptable financial assurance for the Subject Wells within thirty (30) days of the issuance date of this order.

(2) If Grynberg fails to comply with Ordering Paragraph (1), Grynberg shall be in violation of this order pursuant to 19.15.8.9(C) NMAC.

(3) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

ACCEPTANCE

JACK J. GRYNBERG (OGRID No. 11492), operator of record of the wells identified in Findings para. 6, hereby agrees to all the terms and provisions as set forth in this Stipulated Order.

JACK J. GRYNBERG

By:  X

Name: JACK J. GRYNBERG

Title: PRESS-OPERATOR

Date: June 30/2017

ASSISTANT GENERAL COUNSEL, representing the Compliance and Enforcement Bureau of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department, hereby agrees to all the terms and provisions as set forth in this Stipulated Order.

ASSISTANT GENERAL COUNSEL

By: 

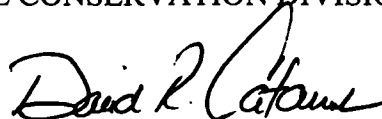
Name: Keith Herrmann

Title: Assistant General Counsel

Date: 7/6/2017

DONE at Santa Fe, New Mexico, on this 7th day of July, 2017.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



DAVID R. CATANACH
DIRECTOR

SEAL