



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 12, 2006

Rueben Collins dba RCJ Enterprises
P.O. Box 6055
Hobbs, NM 88241-6055

Certified Mail Number 7001 1940 0004 7922 8633

Re: Cancellation of Authority to Transport from or Inject into Wells Operated by Rueben Collins dba RCJ Enterprises, OGRID 212329

Dear Operator,

Effective immediately, the OCD cancels the authority of Rueben Collins dba RCJ Enterprises (RCJ) to transport from or inject into all wells it operates. This cancellation is issued pursuant to Oil Conservation Division (OCD) Rule 1115.C [19.15.13.1115.C NMAC].

Rule 1115.C provides:

If an operator fails to file a form C-115 that the division accepts, the division shall, within 60 days of the appropriate filing date, notify the operator by electronic mail or letter of its intent to revoke the operator's authorization to transport or inject if the operator does not submit an acceptable and complete form C-115. If the operator does not file an acceptable and complete form C-115 or request a hearing on the proposed cancellation within 120 days of the original due date of the form C-115, the division may cancel the operator's authority to transport from or inject into all wells it operates.

By letter dated May 22, 2006, the OCD notified RCJ that it had not received a C-115 report for several reporting periods, including February 2006, and that it intended to revoke RCJ's authorization to transport or inject if it did not receive an acceptable and complete C-115 for February 2006 within 120 days of the original due date for that report. The notice further stated that RCJ may request a hearing on this proposed cancellation within 120 days of the original due date for the February 2006 report. A copy of the OCD's May 22, 2006 letter is attached.

To date, RCJ has not submitted a C-115 report for February 2006, and has not requested a hearing on the proposed cancellation. More than 120 days have passed from the original due date for the February 2006 report. RCJ's authority to transport from or inject into its wells is cancelled. When RCJ has filed an acceptable and complete C-115 for February 2006 it may apply for reinstatement of its authority to transport from or inject into the wells it operates. If RCJ transports from or injects into wells it operates while the cancellation is in effect, it will be in violation of OCD Rules 1104 [19.15.13.1104 NMAC], 804.A [19.15.10.804.A] and/or 701 [19.15.9.701 NMAC]. A knowing and willful violation of an OCD rule may subject the operator to penalties of up to \$1,000 per day, NMSA 1978, Section 70-2-31(A).

Please note that although this cancellation of authority to transport from or inject into wells operated by RCJ relates to its failure to file a report for February 2006, RCJ is delinquent in filing C-115 reports for other periods as well. As stated in the May 22, 2006 letter, RCJ has not filed reports for the periods January 2003 through March 2006. RCJ has also failed to file

Oil Conservation
Phone: (5

**Reubin Collins dba
RCJ Enterprises
Case 13886
OCD Exhibit No. 4**

Santa Fe, New Mexico 87505
www.emnrd.state.nm.us

reports for periods after March 2006. RCJ can expect to receive additional notices of cancellation of authority to transport from or inject into its wells in connection with these more recent failures. In addition, if RCJ fails to act promptly to correct its reporting failures, the OCD will take additional enforcement action against it. The enforcement actions may include seeking penalties under NMSA 1978, Section 70-2-31(A) and/or an order requiring the operator to plug and abandon its wells pursuant to NMSA 1978, Section 70-2-14(B).

Sincerely,

Daniel Sanchez
Enforcement and Compliance Manager
Oil Conservation Division

Encl: Letter from David Bradshaw to Loretta Collins of Reuben Collins dba RCJ Enterprises, dated May 22, 2006
120-Day Action Report for Reuben Collins dba RCJ Enterprises

cc: Bureau of Land Management, Carlsbad Field Office

cc: Chris Williams, District I
Tim Gum, District II
Charlie Perrin, District III
David Bradshaw, OCD Automation and Records Bureau
Gail MacQuesten, OCD Attorney
Theresa Duran-Saenz, Legal Assistant

May 22, 2006

Loretta Collins
Rueben Collins DBA RCI Enterprises
PO Box 6055
Hobbs, NM 88241-6055

RE: C115 Production Reports # 212329

Rule 1115 of the Oil Conservation Division requires that C-115s (Monthly Production Reports) be filed electronically on or before the 15th day of the second month following the month of production (see attached copy of Rule 1115). As of today, we have not received your C-115s for the following period(s): January 2003 through March 2006.

You are being notified that the OCD intends to revoke your authorization to transport from or inject into all wells you operate if an acceptable and complete C-115 is not received electronically for all outstanding reports listed above within 120 days of the original due date of the February 2006 report. You may choose to request a hearing on this proposed cancellation within 120 days of the original due date.

Please contact me at 505-476-3484 or by email at david.bradshaw@state.nm.us if you have any questions or if I may help you regarding this matter.

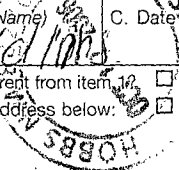
Thank you.

David Bradshaw
Automation and Records Bureau

G115 - Compliance - 120-Day Action Report

		DATE		120-DAY					
OPERATOR	OCRID	NOTICE SENT	NOTICE SENT TO	MTHS OUT OF COMP.	ACTION DATE	COMMENT	CONTACT PERSON		
REUBIN COLLINS DBA RCJ ENTERPRISES	212329	5/22/2006	LORETTA COLLINS	1/2003 - 3/2006	8/15/2006	No Op Admin - never reported - Per Loretta, had outsourced rpt'ing - no idea it wasn't being filed. She expects to have all sub'd by 5/12. Major .xls issues - Loretta is a novice Excel/PC user - last rpt sub'd w/o API's. Loretta to call 7/10.	LM for Reubin 5/3 Loretta called 5/4, numerous calls w/Loretta in June. Spoke w/ Loretta 7/7	Reubin Collins Loretta Collins	505-393-3269
REUBIN COLLINS DBA RCJ ENTERPRISES	212329	9/7/2006	REUBIN COLLINS	5/2006	11/14/200	No Op Admin - never reported - Per Loretta, had outsourced rpt'ing - no idea it wasn't being filed. She expects to have all sub'd by 5/12. Major .xls issues - Loretta is a novice Excel/PC user - last rpt sub'd w/o API's. Loretta to call 7/10.	LM for Reubin 5/3 Loretta called 5/4, numerous calls w/Loretta in June. Spoke w/ Loretta 7/7	Reubin Collins Loretta Collins	505-393-3269

OPERATOR	QCRID	DATE NOTICE SENT	120- DAY NOTICE SENT TO	MTHS OUT OF COMP.	ACTION DATE	COMMENT	CONTACT DETAILS	CONTACT PERSON	CONTACT PHONE
REUBIN COLLINS DBA RCJ ENTERPRISES	212329	9/7/2006	REUBIN COLLINS	6/2006	12/13/200	No Op Admin - never reported - Per Loretta, had outsourced rpt'ing - no idea it wasn't being filed. She expects to have all sub'd by 5/12. Major xls issues - Loretta is a novice Excel/PC user - last rpt sub'd w/o APIs. Loretta to call 7/10.	LM for Reubin 5/3 Loretta called 5/4. numerous calls w/Loretta in June. Spoke w/ Loretta 7/7	Reubin Collins Loretta Collins	505-393-3260

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">■ 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.		<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee X <i>Laurel Collins</i></p> <p>B. Received by (Printed Name) <i>Laurel Collins</i> C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
1. Article Addressed to: <i>Laurel Collins dba RCS Enterprises PO Box 6055 Hobbs, NM 88241-6055</i>			
2. Article Number (Transfer from service label)		7001 1940 0004 7922 8633	
PS Form 3811, August 2001		Domestic Return Receipt 102595-01-M-2509	