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 DISTRICT I SUPERVISOR FOR A COMPLIANCE ORDER AGAINST REUBIN COLLINS d/b/a RCJ ENTERPRISES, LLC FINDING THAT THE OPERATOR IS IN VIOLATION OF 19.15.4.201 NMAC AS TO ELEVEN WELLS, REQUIRING OPERATOR TO BRING SAID WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC BY A DATE CERTAIN AND, IN THE EVENT OF NON-COMPLIANCE, DECLARING THE WELLS ABANDONED AND AUTHORIZING THE DIVISION TO PLUG THE WELLS LOCATED IN LEA COUNTY, NEW MEXICO.

CASE NO. 13886

<u>APPLICATION FOR COMPLIANCE ORDER</u> AGAINST REUBIN COLLINS d/b/a RCJ ENTERPRISES

1. Reubin Collins d/b/a RCJ Enterprises, LLC ("Rueben Collins" or

"Operator") is a sole proprietor operating the following wells in New Mexico under

OGRID 212329:

X.

- Buffalo Unit # 007, B-34-18S-33E, 30-025-21604
- Buffalo Unit # 008, H-34-18S-33E, 30-025-21846
- Buffalo Unit # 010, A-34-18S-33E, 30-025-21957
- Buffalo Unit # 011, L-35-18S-33E, 30-025-22598
- Cockburn Federal #004, K-34-17S-33E, 30-025-01391
- Cockburn Federal #006, J-34-17S-33E, 30-025-01392
- Cockburn Federal #007, I-33-17S-33E, 30-025-01362
- Cockburn Federal #010, J-33-17S-33E, 30-025-21242
- Wallen Bass #002, N-21-20S-34E, 30-025-26458
- Wallen Bass #003, P-21-20S-34E, 30-025-25904
- Wallen Bass #004, N-21-20S-34E, 30-025-26288,

Exhibit 1, Well List.

Application for Compliance Order Rueben Collins d/b/a RCJ Enterprises, LLC Page 1 of 4 , 2. Reubin Collins's wells in New Mexico are federal wells; therefore, Operator is not required to post, and has not posted, financial assurances to secure its obligation to plug and abandon the wells. *Exhibit 2, Affidavit of Dorothy Phillips*.

3. Division Rule 19.15.4.201 NMAC requires an operator to plug and abandon

or temporarily abandon a well, in accordance with Division rules, within 90 days after a

period of one year of continuous inactivity.

4. The following wells ("subject wells") operated by Reubin Collins in New

Mexico have been inactive for a continuous period exceeding one year plus 90 days (Exhibit

3, Affidavit of Jane Prouty), and are neither plugged and abandoned in accord with

19.15.4.202 NMAC nor on approved temporary abandonment status in accord with

19.15.4.203 NMAC:

- Buffalo Unit # 007, B-34-18S-33E, 30-025-21604
- Buffalo Unit # 008, H-34-18S-33E, 30-025-21846
- Buffalo Unit # 010, A-34-18S-33E, 30-025-21957
- Buffalo Unit # 011, L-35-18S-33E, 30-025-22598
- Cockburn Federal #004, K-34-17S-33E, 30-025-01391
- Cockburn Federal #006, J-34-17S-33E, 30-025-01392
- Cockburn Federal #007, I-33-17S-33E, 30-025-01362
- Cockburn Federal #010, J-33-17S-33E, 30-025-21242
- Wallen Bass #002, N-21-20S-34E, 30-025-26458
- Wallen Bass #003, P-21-20S-34E, 30-025-25904
- Wallen Bass #004, N-21-20S-34E, 30-025-26288.
- 5. Division Rule 19.15.3.101(H) NMAC authorizes the Director to order the

Operator to plug and abandon any well not in compliance with 19.15.4.201 NMAC and

restore and remediate the location by a date certain.

6. NMSA 1978, Section 70-2-12(B)(18) and NMSA 1978, Section 70-2-38

authorize the Division to plug and abandon wells, and restore and remediate the location of

abandoned wells.

WHEREFORE, the Supervisor of District I of the Division hereby applies to the Director to enter an Order:

- A. Determining that the subject wells are not in compliance with 19.15.4.201 NMAC;
- B. Requiring Reubin Collins to plug and abandon each of the subject wells by a date certain;
- C. If the subject wells are not brought into compliance with 19.15.4.201 NMAC
 by the date set in the Order, declaring the wells abandoned and authorizing
 the Division to plug the subject wells in accordance with a Division approved plugging program and restore and remediate the locations; and
- D. For such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED, this <u>13</u> day of February 2007 by

Cheryl O'Connor 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) 476-3480

Attorney for The New Mexico Oil Conservation Division

Application for Compliance Order Rueben Collins d/b/a RCJ Enterprises, LLC Page 3 of 4

- Case No. <u>13886</u>. Application of the New Mexico Oil Conservation Division for a Compliance Order against Reubin Collins d/b/a RCJ Enterprises, LLC. The Applicant seeks an Order finding that operator is in violation of 19.15.4.201 NMAC as to six wells, requiring operator to bring the six wells into compliance with 19.15.4.201 NMAC by a date certain and authorizing the Division to plug said wells in the event of non-compliance. The affected wells are:
 - Buffalo Unit # 007, B-34-18S-33E, 30-025-21604
 - Buffalo Unit # 008, H-34-18S-33E, 30-025-21846
 - Buffalo Unit # 010, A-34-18S-33E, 30-025-21957
 - Buffalo Unit # 011, L-35-18S-33E, 30-025-22598
 - Cockburn Federal #004, K-34-17S-33E, 30-025-01391
 - Cockburn Federal #006, J-34-17S-33E, 30-025-01392
 - Cockburn Federal #007, I-33-17S-33E, 30-025-01362
 - Cockburn Federal #010, J-33-17S-33E, 30-025-21242
 - Wallen Bass #002, N-21-20S-34E, 30-025-26458
 - Wallen Bass #003, P-21-20S-34E, 30-025-25904
 - Wallen Bass #004, N-21-20S-34E, 30-025-26288.

The wells are located Lea County, New Mexico.

Well List

212329 REUBIN COLLINS DBA RCJ ENTERPRISES TOTAL WELL COUNT:11 PRINTED ON:THURSDAY, OCTOBER 12, 2006

P roperty	Well Name	Lease Type	ULSTR	OCD UL	API	Well Type	Pool		Last Prod/Inj	0il POD
3()721	BUFFALO UNIT #007	F	B-34-18S-33E	В	30-025-21604	0	13290	CORBIN;QUEEN, SOUTH (OIL)	6/1996	2811572
	BUFFALO UNIT #008	F	H-34-18S-33E	H	30-025-21846	0	13290	CORBIN;QUEEN, SOUTH (OIL)	8/2002	2811567
	BUFFALO UNIT #010	F	A-34-18S-33E	А	30-025-21957	0	13290	CORBIN;QUEEN, SOUTH (OIL)	8/2002	2811567
	BUFFALO UNIT #011	F	L-35-18S-33E	L.	30-025-22598	G	75160	CORBIN;QUEEN,SOUTH (GAS)	8/2002	2811577
2971)	COCKBURN FEDERAL #004	F	K-34-17S-33E	К	30-025-01391	0	13280	CORBIN;QUEEN	12/2002	1203910
	COCKBURN FEDERAL #006	F	J-34-17S-33E	J	30-025-01392	0	13280	CORBIN;QUEEN	12/2002	1203910
	COCKBURN FEDERAL #007	F	I-33-17S-33E	Ι	30-025-01362	0	43329	MALJAMAR;GRAYBURG- SAN ANDRES	7/2001	1204310
	COCKBURN FEDERAL #010	F	J-33-17S-33E	J	30-025-21242	0	43329	MALJAMAR;GRAYBURG- SAN ANDRES	11/1999	1204310
33556	WALLEN BASS #002	F	N-21-20S-34E	Ν	30-025-26458	S	96141	SWD;YATES-SEVEN RIVERS	1/2004	
	WALLEN BASS #003	F	P-21-20S-34E	P ,	30-025-25904	0	42500	LYNCH;YATES-SEVEN RIVERS, MIDDLE	2/2004	2593410
	WALLEN BASS #004	F	O-21-20S-34E	. 0	30-025-26288	0	42500	LYNCH;YATES-SEVEN RIVERS, MIDDLE	2/2004	2594610

OCD Exhibit 1 Reubin Collins, DBA RCJ Enterprises, LLC

http://www.emnrd.state.nm.us/OCD/OCDPermitting/OperatorData/WellListParameters.a... 10/12/2006

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE SUPERVISOR OF DISTRICT I, FOR A COMPLIANCE ORDER AGAINST REUBIN COLLINS d/b/a RCJ ENTERPRISES, LLC FINDING THAT THE OPERATOR IS IN VIOLATION OF 19.15.4.201 NMAC AS TO ELEVEN WELLS, REQUIRING OPERATOR TO BRING SAID WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC BY A DATE CERTAIN AND, IN THE EVENT OF NON-COMPLIANCE, DECLARING THE WELLS ABANDONED AND AUTHORIZING THE DIVISION TO PLUG THE WELLS LOCATED IN LEA COUNTY, NEW MEXICO.

CASE NO._ /3886

Affidavit of Dorothy Phillips

STATE OF NEW MEXICO)

) ss.

COUNTY OF SANTA FE)

Dorothy Phillips, being first duly sworn on oath, states as follows:

1. I have been employed as the bond administrator at the Santa Fe, New Mexico office of the Oil Conservation Division ("OCD") for the past four years.

2. My duties include maintaining records of financial assurance documents filed by operators pursuant to NMSA 1978, Section 70-2-14.

3. I researched OCD's financial assurance records to determine if financial assurance documents were filed for the wells at issue in the above-captioned case:

- Buffalo Unit # 007, B-34-18S-33E, 30-025-21604
- Buffalo Unit # 008, H-34-18S-33E, 30-025-21846
- Buffalo Unit # 010, A-34-18S-33E, 30-025-21957
- Buffalo Unit # 011, L-35-18S-33E, 30-025-22598
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- Wallen Bass #003, P-21-20S-34E, 30-025-25904
- Wallen Bass #004, N-21-20S-34E, 30-025-26288,

OCD Exhibit 2 Reubin Collins, DBA RCJ Enterprises, LLC , all the wells are located in Lea County, New Mexico.

4. OCD's electronic permitting database, "E-Permitting," identifies the wells associated with a particular operator that have not been plugged. Attachment "A" to this affidavit is a printout of the E-Permitting screen showing Reubin Collins, d/d/a RCJ Enterprises, LLC as operator of the Buffalo Unit # 007, Buffalo Unit # 008, Buffalo Unit #010, Buffalo Unit #011, Cockburn Federal #004, Cockburn Federal #006, Cockburn Federal #007, Cockburn Federal #010, Wallen Bass #002, Wallen Bass #003, Wallen Bass #004.

5. A Division data base, ONGARD (oil and natural gas administration and revenue data base), maintains data on the financial assurances posted by operators. I have researched ONGARD records to determine if Reubin Collins, d/b/a, RCJ Enterprises, LLC has posted a bond on these wells. According to ONGARD, Eeubin Collins, d/b/a/ RCJ Enterprises, LLC has not posted any bonds on these wells as they are all located on Federal land.

FURTHER AFFIANT SAYETH NOT.

Dorothy Phillips

SUBSCRIBED AND SWORN before me this _____ day of February 2007.

ly Mar

My Commission Expires:

3-24-2010

Well List

212329 REUBIN COLLINS DBA RCJ ENTERPRISES TOTAL WELL COUNT:11 PRINTED ON:MONDAY, FEBRUARY 12, 2007

Property	Weli Name	Lease Type	ULSTR	OCD UL	ΑΡΙ	Well Type	Pool		Last Prod/Inj	Oil POD
30721	BUFFALO UNIT #007	F	B-34-18S-33E	В	30-025-21604	0	13290	CORBIN;QUEEN, SOUTH (OIL)	6/1996	2811572
	BUFFALO UNIT #008	F	H-34-18S-33E	н	30-025-21846	0	13290	CORBIN;QUEEN, SOUTH (OIL)	8/2002	2811567
	BUFFALO UNIT #010	F	A-34-18S-33E	A	30-025-21957	0	13290	CORBIN;QUEEN, SOUTH (OIL)	8/2002	2811567
	BUFFALO UNIT #011	F	L-35-18S-33E	L	30-025-22598	G	75160	CORBIN;QUEEN,SOUTH (GAS)	8/2002	2811577
29719	COCKBURN FEDERAL #004	F	K-34-17S-33E	К	30-025-01391	0	13280	CORBIN;QUEEN	12/2002	1203910
	COCKBURN FEDERAL #006	F	J-34-17S-33E	J	30-025-01392	0	13280	CORBIN;QUEEN	12/2002	1203910
	COCKBURN FEDERAL #007	ŕF	I-33-17S-33E	I	30-025-01362	0	43329	MALJAMAR;GRAYBURG- SAN ANDRES	7/2001	1204310
	COCKBURN FEDERAL #010	F	J-33-17S-33E	J	30-025-21242	0	43329	MALJAMAR;GRAYBURG- SAN ANDRES	11/1999	1204310
33556	WALLEN BASS #002	F	N-21-20S-34E	Ν	30-025-26458	S	96141	SWD;YATES-SEVEN RIVERS	1/2004	
	WALLEN BASS #003	F	P-21-20S-34E	P	30-025-25904	0	42500	LYNCH;YATES-SEVEN RIVERS, MIDDLE	2/2004	2593410
	WALLEN BASS #004	F	O-21-20S-34E	0	30-025-26288	0	42500	LYNCH;YATES-SEVEN RIVERS, MIDDLE	2/2004	2594610

OCD Exhibit A Reubin Collins, DBA RCJ Enterprises, LLC

CMD : OG6CBBD		ONGA CAPTURE BI	ARD LANKET BONDS		02/12/07 1 OGODLI		
		: 212329 Bond : REUBIN COLLI BOX 6055 HOBBS,NM 882	INS DBA RCJ E		: .		
Bond Detai	Company	sh/Surety - C/S) OGRID Identifien Name, Address		Idn: A	mount:		
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STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

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CASE NO. _ / 3886

Affidavit of Jane Prouty

STATE OF NEW MEXICO)

) ss. COUNTY OF SANTA FE)

I, Jane Prouty, being first duly sworn on oath, states as follows:

1. I am employed as the Supervisor of Production and Permitting at the Santa Fe, New Mexico office of the Oil Conservation Division ("OCD").

2. My duties include maintaining records of oil and gas production and injection on wells located in New Mexico.

3. The OCD's information on production and injection comes from monthly production reports filed by the well operators.

4. In 1993 the OCD began using the ONGARD (Oil and Natural Gas Administration and Revenue Database) to record oil and gas production and injection by well. Since 1993, production and injection data from the monthly production reports filed by operators has been entered into ONGARD.

5. When the OCD began using the ONGARD system in 1993, it converted existing production and injection data into ONGARD for those wells that were not shown as "plugged" according to the OCD records available at that time. The pre-1993 production and injection information for each such well was totaled and appears in ONGARD under the last month of production or injection for that well.

OCD Exhibit 3 Reubin Collins, DBA RCJ Enterprises, LLC 6. I have researched the ONGARD records for production and injection information regarding the following wells operated by Reubin Collins, d/b/a, RCJ Enterprises, LLC:

- Buffalo Unit # 007, B-34-18S-33E, 30-025-21604
- Buffalo Unit # 008, H-34-18S-33E, 30-025-21846
- Buffalo Unit # 010, A-34-18S-33E, 30-025-21957
- Buffalo Unit # 011, L-35-18S-33E, 30-025-22598
- Cockburn Federal #004, K-34-17S-33E, 30-025-01391
- Cockburn Federal #006, J-34-17S-33E, 30-025-01392
- Cockburn Federal #007, I-33-17S-33E, 30-025-01362
- Cockburn Federal #010, J-33-17S-33E, 30-025-21242
- Wallen Bass #002, N-21-20S-34E, 30-025-26458
- Wallen Bass #003, P-21-20S-34E, 30-025-25904.

ONGARD contains no production or injection records for the Buffalo Unit # 007 since June 1996; the Buffalo Units # 008, # 010, and # 011 since August 2002; Cockburn Federal #004 and #006 since December 2002; Cockburn Federal #007 since July 2001; Cockburn Federal #010 since November 1999; the Wallen Bass #002 since January 2004; and the Wallen Bass #003 and #004 since February 2004.

FURTHER AFFIANT SAYETH NOT.

Jane Proutv

SUBSCRIBED AND SWORN before me this $\frac{12}{12}$ da , _____ day of February 2007.

Phillip ~ Notary Public Dero ty

My Commission Expires:

4/2/07