



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury
Cabinet Secretary

September 6, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Hon. David Catanach,
Hearing Examiner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Case No. 12704
Re Tiffany Gas Company, LLC

Dear Examiner Catanach:

Attached is a copy of the signed Order Assessing Civil Penalty per your request.

Very truly yours,

A handwritten signature in cursive script that reads "David K. Brooks".

David K. Brooks
Assistant General Counsel

Cc: Mr. Joel Burr



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

IN THE MATTER OF
TIFFANY GAS COMPANY, L.L.C.

NMOGA 01-2

ORDER ASSESSING A CIVIL PENALTY

Pursuant to the New Mexico Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38 (the "Act"), the Director of the Oil Conservation Division ("OCD") issues this Order to Tiffany Gas Company, L.L.C. ("Tiffany") to enforce the Act and the OCD Rules and to assess a civil penalty for violations of the Act and Rules.

FINDINGS

1. The OCD is the State Division charged with administration and enforcement of the Act and OCD Rules.
2. Tiffany is a limited liability company authorized to do business in the State of New Mexico under Public Regulation Commission ("PRC") number 1853555.
3. According to the PRC records, Tiffany is an active corporation in good standing.
4. Burr Oil and Gas, Inc. is the registered agent in New Mexico for Tiffany, and its mailing address is 2901 East 20th Street, Farmington, New Mexico 87401.
5. On June 29, 2000, Tiffany through its agent, Jim Hicks, submitted a report of a bradenhead test purportedly conducted on the Navajo "18" Well No. 3, in Unit B of Section 18, Township 29 North, Range 16 West; API No. 30-045-20299.

6. On July 18, 2000 Bruce W. Martin, Deputy Oil and Gas Inspector of the OCD Aztec District Office, conducted an inspection of the Navajo "18" Well No. 3 and found the wellhead in a corroded and unusable condition, indicating that a test could not have been conducted less than 20 days earlier as reported.
7. The report submitted by Tiffany as described above was a materially false report.
8. The OCD requires operators to conduct bradenhead tests to assure the mechanical integrity of the well casing to prevent the waste of oil and gas, prevent contamination of the environment and protect human health, pursuant to the authority of OCD Rule 1100.B.
9. It is unlawful pursuant to NMSA 1978, Section 70-2-31.B(2) to make a false statement in a report to the OCD.
10. NMSA 1978, Section 70-2-31.A authorizes the assessment of civil penalties of up to one thousand dollars (\$1,000) per day per violation of the Oil and Gas Act or any rule adopted pursuant to the Act.

CONCLUSIONS

1. The OCD has jurisdiction over the parties and the subject matter of this proceeding.
2. Tiffany is a "person" as defined by OCD Rule 7.P (19 NMAC 15.A.7.P).
3. Tiffany intentionally submitted a document containing materially false information regarding the alleged bradenhead test on the Navajo "18" Well No. 3 to the OCD on June 29, 2000, in violation of NMSA 1978, Section 70-2-31.B(2).

ORDER AND CIVIL PENALTY

Taking into consideration mitigating and other factors, OCD hereby assesses a civil penalty of one thousand dollars (\$1,000) against Tiffany.

The civil penalty shall be paid within sixty (60) days of receipt of this Order, by certified or cashier's check made payable to the "New Mexico Oil Conservation Division," and mailed or hand-delivered to the New Mexico Oil Conservation Division, Attention: Lori Wrotenbery, Director, 1220 South St. Francis, Santa Fe, New Mexico 87505.

RIGHT TO REQUEST A HEARING

Pursuant to OCD Rule 1203 (19 NMAC 15.N.1203), Tiffany has the right to submit a written request for a hearing to the OCD within thirty (30) days of receipt of this order. The procedures in OCD Rules 1201 to 1223 (19 NMAC 15.N) shall govern hearing and pre-hearing procedures.

FINALITY OF ORDER

This Order shall become final thirty (30) days after receipt hereof by Tiffany's above-named registered agent unless Tiffany files a request for a hearing with the OCD within such time.

5-31-01
Date

By Lori Wrotenbery
LORI WROTENBERY, Director

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the original of the foregoing Order Assessing Civil Penalty was served by first-class, certified mail, return receipt requested, on Burr Oil and Gas, Inc., 2901 East 2901 East 20th Street, Farmington, New Mexico 87401, on this 31st day of May, 2001.

Florence Davidson

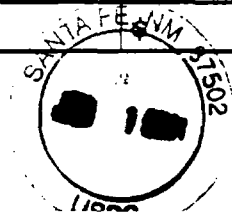
P 176 013 415



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Burr Oil and Gas, Inc.	
Street and No.	
2901 East 20th Street	
P.O. State and ZIP Code	
Farmington, New Mexico	
Postage	\$ 87401
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom Date and Addressee's Address	
TOTAL Postage & Fees	
Postmark or Date	



PS Form 3800, June 1991

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Burr Oil and Gas, Inc.
2901 East 20th Street
Farmington, New Mexico 87401

4a. Article Number

P 176 013 415

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Insured |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD |

7. Date of Delivery

5. Received By: (Print Name)

Tricki Maben

6. Signature: (Addressee or Agent)

X Tricki Maben

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.