

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

**CASE NO. 12530
ORDER NO. R-11508**

IN THE MATTER OF THE HEARING CALLED BY THE NEW MEXICO OIL CONSERVATION DIVISION ("DIVISION") THROUGH THE SUPERVISOR OF DIVISION DISTRICT I IN HOBBS, NEW MEXICO ON ITS OWN MOTION FOR AN ORDER REQUIRING POE PROPERTIES, INC. TO PROPERLY PLUG AND ABANDON A CERTAIN WELL IN ROOSEVELT COUNTY, NEW MEXICO, OR AUTHORIZING THE DIVISION TO PLUG AND ABANDON THIS WELL.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on November 2, 2000, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 15th day of December, 2000, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) Poe Properties, Inc. of Ft. Worth, Texas is the current owner and operator of the Ivey Well No. 1 (**API No. 30-041-20723**) located 2310 feet from the South line and 1980 feet from the East line (Unit J) of Section 29, Township 4 South, Range 33 East, NMPM, Roosevelt County, New Mexico.

(3) At this time the subject well is not covered by a plugging bond and is therefore not in compliance with Section 70-2-14, NMSA 1978, and Division Rule 101.

(4) At this time, the Division seeks an order directing the operator to plug the above-described well in accordance with a Division-approved plugging program and, if the operator fails to do so, authorizing the Division to proceed to plug and abandon this well, order the recovery of the costs of its plugging, and impose a fine on the operator for failure to comply with this order.

(5) This matter was styled such that in the absence of objection this case would be taken under advisement. Representatives of the Division's district office in Hobbs (District I) and the Division's office in Santa Fe prepared a detailed report and summary

supporting its position that the subject well should be plugged and abandoned.

(6) The operator did not appear at the hearing.

(7) This well has not produced hydrocarbons or has otherwise been inactive for more than one year, and no permit for temporary abandonment has been requested by the operator or approved by the Division.

(8) By virtue of the failure to use the subject well for beneficial purposes or to have an approved temporary abandonment permit, the subject well is presumed to have been abandoned by Poe Properties, Inc.

(9) The current condition of this well is such that if action is not taken it to be properly plugged and abandoned, waste will probably occur, correlative rights will also be violated, livestock and wildlife may be subject to harmful contaminants, and fresh waters may be in danger of contamination.

(10) In order to prevent waste and to adequately protect correlative rights and the environment, the above described well should be plugged and abandoned by Poe Properties, Inc. in accordance with a program approved by the supervisor of the Division's Hobbs District Office on or before January 15, 2001.

(11) Should Poe Properties, Inc. not meet this January 15, 2001 plugging obligation, the Division Director should then be authorized to take such action as is deemed necessary to recover from the operator the plugging cost incurred by the Division.

IT IS THEREFORE ORDERED THAT:

(1) Poe Properties, Inc. of Ft. Worth, Texas is hereby ordered to plug and abandon its Ivey Well No. 1 (**API No. 30-041-20723**) located 2310 feet from the South line and 1980 feet from the East line (Unit J) of Section 29, Township 4 South, Range 33 East, NMPM, Roosevelt County, New Mexico, on or before January 15, 2001.

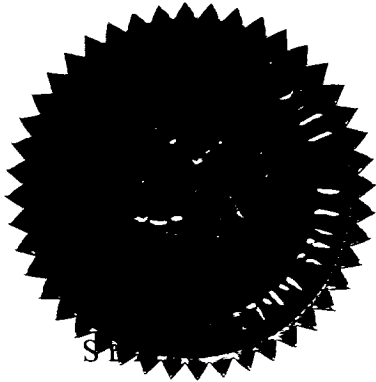
(2) Poe Properties, Inc., prior to plugging and abandoning the above described well, shall obtain from the supervisor of the Division's District Office in Hobbs, an approved plugging program and shall notify the Hobbs District Office of the date and time this work is to commence whereupon the Division may witness such work.

(3) Should Poe Properties, Inc. fail or refuse to carry out such provisions in accordance with the terms of this order, the Division shall then take such actions as are necessary to: (i) have this well properly plugged and abandoned; and (ii) recover from the operator the plugging cost incurred by the Division.

(4) Failure to comply with the provisions of this order shall subject Poe Properties, Inc. to a fine of \$1,000.00 per day per well until such work is completed (see Section 70-2-31, NMSA 1978).

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
Lori Wrotenbery
LOI WROTENBERY
Director