

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

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Oil Conservation Division

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE SUPERVISOR OF DISTRICT I, FOR AN ORDER REQUIRING
SABA ENERGY OF TEXAS, INC., TO PROPERLY PLUG SIX WELLS,
ASSESSING AN APPROPRIATE CIVIL PENALTY IN EVENT OF
OPERATOR'S FAILURE TO COMPLY, AUTHORIZING THE DIVISION TO
PLUG SAID WELLS AND ORDERING A FORFEITURE OF APPLICABLE
PLUGGING BOND; LEA COUNTY, NEW MEXICO.**

CASE NO. 13163

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. Saba Energy of Texas, Inc., ("Operator") is the operator of the following wells located in Lea County, New Mexico:

a. Harton State #1, API #30-025-28540, Unit Letter H, Section 7, Township 13 South, Range 36 East.

b. Morris #1, API #30-025-29247, Unit Letter D, Section 8, Township 13 South, Range 36 East.

c. Fern Guye #1, API #30-025-34488, Unit Letter M, Section 5, Township 13 South, Range 36 East.

d. Saba State #1, API #30-025-33726, Unit Letter I, Section 7, Township 13 South, Range 36 East.

e. San Simon 5 State #1, API #30-025-27564, Unit Letter E, Section 5, Township 22 South, Range 35 East.

6. Division Rule 101.M, issued pursuant to the same authority, authorizes the Division, after notice and hearing, to order the operator to plug and abandon any well or wells not in compliance with Rule 201, and to direct the Division to cause such well or wells to be plugged in accordance with a Division approved plugging program if, after the time provided in such order, the operator and its surety, if any, have failed to do so.

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

- A. Determining whether the subject well(s) should be plugged and abandoned in accordance with a Division-approved plugging program.
- B. Upon a determination that the subject well(s) should be plugged, directing the Operator to plug the wells by a date certain.
- C. Assessing an appropriate civil penalty in event of the operator's failure to comply.
- D. Further ordering that if the Operator or Redlands Insurance Company, its surety, fails to plug and abandon the subject well(s) as ordered by the Director, the Division be authorized: (i) to plug the subject wells in accordance with a division-approved plugging program; (ii) to declare forfeit the security furnished by the Operator, if any, to the extent necessary to fully reimburse the Division for its expenses incurred in accomplishing the foregoing; and (iii) to take necessary and appropriate measures to recover from the Operator any costs of plugging the subject well(s) in excess of the amount of the bond or other security, if any.

Case No. 13163. Application of the New Mexico Oil Conservation Division for an Order Requiring Saba Energy of Texas, Inc., to Properly Plug Six Wells, Imposing Civil Penalties in Event of Failure to Comply, Authorizing the Division to Plug Said Wells in Default of Compliance by Operator, and Ordering a Forfeiture of Applicable Security, if Any, Lea County, New Mexico. The Applicant seeks an order requiring Saba Energy of Texas, Inc., the operator of six inactive wells in Lea County, New Mexico, to properly plug and abandon the same, imposing civil penalties in event of failure to comply, authorizing the Division to plug said well or wells if the operator fails to do so, forfeiting Operator's plugging security, if any, and providing for such other relief as the Director deems appropriate. The affected wells are the following:

Harton State #1	API # 30-025-28540	UL H, Section 7, T13S, R36E
Morris #1	API # 30-025-29247	UL D, Section 8, T13S, R36E
Fern Guye #1	API #30-025-34488	UL M, Section 5, T13S, R36E
Saba State #1	API #30-025-33726	UL I, Section 7, T13S, R36E
San Simon 5 State #1	API #30-025-27564	UL E, Section 5, T22S, R35E
San Simon 5 State #2	API #30-025-28480	UL G, Section 5, T22S, R35E

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