

OIL CONSERVATION DIV.  
NOV 29 AM 4:51

**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION THROUGH THE SUPERVISOR OF DISTRICT I FOR AN ORDER REQUIRING PETROLEUM PRODUCTION MANAGEMENT, INC. TO PROPERLY PLUG FIVE WELLS IN LEA COUNTY, NEW MEXICO, AUTHORIZING THE DIVISION TO PLUG SAID WELLS, AND ORDERING A FORFEITURE OF THE PLUGGING BOND, IF ANY.**

CASE NO. 12562

**APPLICATION FOR PLUGGING AND FORFEITURE OF BOND**

1. Petroleum Production Management, Inc. ("Operator") is the operator of the Will 693 Ltd. Well No. 5 Well located 2100 feet from the South line and 1980 feet from the East line (Unit J) in Section 34, Township 8 South, Range 35 East in Roosevelt County and the following wells in Lea County, New Mexico:

- a. Midwest State Well No. 1 located 1980 feet from the South line and 1980 feet from the East line (Unit J) in Section 23, Township 10 South, Range 33 East;
- b. State "19" Com Well No. 2 located 660 feet from the North and East lines (Unit A) in Section 19, Township 13 South, Range 33 East;
- c. Sunray 682 Ltd. Well No. 6 located 1980 feet from the North line and 660 feet from the West line (Unit E) in Section 36, Township 9 South, Range 33 East;  
and
- d. Holt State Com Well No. 1 located 660 feet from the North and West lines (Unit D) in Section 4, Township 10 South, Range 34 East.

2. Operator has posted a surety bond in the amount of \$50,000.00 for said wells in compliance with NMSA 1978, § 70-2-14 and Rule 101 of the Rules of the Oil Conservation Division ("Division"), which bond is conditioned upon compliance with the statutes of the State

of New Mexico and the Rules of the Division with respect to the proper plugging and abandonment of the well operated by Operator. Continental Casualty Company is the surety .

3. The subject wells have not produced hydrocarbon or carbon dioxide substance or have otherwise been inactive for more than one year or are no longer usable for beneficial purposes and no permit for temporary abandonment has been requested by the Operator or approved by the Division.

4. By virtue of the failure to use the wells for beneficial purposes or to have approved a current temporary abandonment permit, the wells are presumed to have been abandoned and are required to be plugged.

5. By authority of NMSA 1978, § 70-2-14 the Rules of the Division require wells that are inactive for more than one year or are no longer usable for beneficial purposes to be properly plugged.

6. Demand has been made or attempted to be made upon the Operator either to place the subject wells to beneficial use, obtain approval for temporary abandonment or properly plug and abandon the same, and the Operator has failed to do so.

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

A. Determining whether the wells should be plugged in accordance with a Division-approved plugging program.

B. Upon a determination that the wells should be plugged, directing Operator to plug the wells.

C. Further ordering that if Operator fails to plug and abandon the wells as ordered by the Director, that the Division be authorized: i. to plug the wells; ii. to declare forfeit on the bond, if

any, and to take such action to foreclose on the bond; and iii. to recover from the Operator any costs of plugging the wells in excess of the amount of the bond, if any.

D. For such other and further relief as the Division deems just and proper, including the assessment of fines.

RESPECTFULLY SUBMITTED,



Marilyn S. Hebert, Attorney  
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2040 South Pacheco  
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(505) 827-8156

OIL CONSERVATION DIV.

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

NOV 30 AM 3:50

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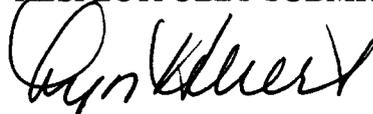
**PERSONS TO BE NOTIFIED**

The following are the persons to be notified in this matter:

Petroleum Production Management, Inc.  
Post Office Box 11320  
Kansas City, MO 64112

Continental Casualty Company  
CNA Plaza - 09 South  
Chicago, Illinois 80685

RESPECTFULLY SUBMITTED,



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