

**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 AN ORDER REQUIRING TOMMY L. WILLYARD AND TOMMY L. WILLYARD JR. DBA R.W. OIL COMPANY TO BRING FOUR WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC, ASSESSING AN APPROPRIATE CIVIL PENALTY IN THE EVENT OF NON-COMPLIANCE, AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND ORDERING A FORFEITURE OF THE APPLICABLE PLUGGING BOND; CHAVES COUNTY, NEW MEXICO.

CASE NO. 13412

PRE-HEARING STATEMENT

This entry of appearance and pre-hearing statement is submitted by the applicant, the Oil Conservation Division.

APPEARANCES

APPLICANT

Oil Conservation Division

APPLICANT'S ATTORNEY

Gail MacQuesten
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505) 476-3451

OPPONENTS

Tommy L. Willyard, Tommy L. Willyard Jr.
dba R.W. Oil Company

OPPONENTS' ATTORNEY

No appearance has been entered

STATEMENT OF THE CASE

APPLICANT

The records of the Oil Conservation Division (OCD) identify Tommy L. Willyard, doing business as RW Oil Company, as the operator of record of four inactive wells located in Chaves County, New Mexico.

All four wells have been inactive for a continuous period exceeding one year plus 90 days, and have not been plugged and abandoned or placed on temporary abandonment status. The Applicant files this action under rule 101, seeking an order requiring the operator to bring the wells into compliance with rule 201 by a date certain, imposing a penalty on the operator if it fails to do so, and authorizing the OCD to plug the wells and forfeit the applicable financial assurances.

OPPONENTS

Tommy L. Willyard and Tommy L. Willyard Jr., dba
RW Oil Company

No entry of appearance.

Underwriters Indemnity Company

No entry of appearance.

2005 JAN 28 AM 10 17

PROPOSED EVIDENCE

APPLICANT

WITNESS:

Billy Prichard

Dorothy Phillips

Jane Prouty

ESTIMATED TIME:

10 min.

5 minutes, or by affidavit

by affidavit

mobile
369-6412 or 393-6861 (107)

PROCEDURAL MATTERS

Upon further review of the record, the OCD is withdrawing its request to forfeit the applicable financial assurances. The wells at issue are federal (federal surface and federal minerals). The bond applies only to wells located on state leases, on land patented by the United States of America to private individuals, or on land otherwise owned by private individuals.

The application lists "Tommy L. Willyard and Tommy L. Willyard Jr." doing business as RW Oil Company, as the operator in this case. Both names were listed because although the well file documents list Tommy Willyard as the owner/operator of RW Oil Company, the bond lists the principal as Tommy L Willyard Jr. dba RW Oil Company. "Tommy L. Willyard" signed the bond as principal, without using the designation "Jr." The OCD does not know if "Tommy L. Willyard" and "Tommy L. Willyard Jr." are the same person, but the way the bond is filled out suggests that may be true. Therefore the OCD requests that the order be issued to Tommy Willyard and Tommy Willyard Jr. dba RW Oil Company.

There is another pending compliance case against RW Oil Company regarding the same four inactive wells: Case 12771. That case, however, seeks different relief: an order setting a deadline to bring the wells into compliance, a penalty for the operator's knowing and willful failure to comply, and additional financial assurances. It does not request authority for the OCD to plug the wells. The case was heard November 15, 2001, and no order has been issued. Given the length of time that the wells have been inactive, the OCD has filed this new compliance action under rule 101(M) requesting an order requiring the operator to bring the wells into compliance by a date certain, and if he fails to comply, authorizing the OCD to plug and abandon the wells. Because case 12771 seeks different relief, we are not asking you to dismiss this operator from that case. The OCD may still want to pursue the penalties it sought in that case.

Respectfully submitted,
This 28th day of January, 2005 by



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Attorney for the Oil Conservation Division