

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT 28
OIL CONSERVATION DIVISION

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE SUPERVISOR OF DISTRICT I, FOR AN ORDER REQUIRING TERRY PATE TO PROPERLY PLUG ONE (1) WELL, AUTHORIZING THE DIVISION TO PLUG SAID WELL AND ORDERING A FORFEITURE OF APPLICABLE PLUGGING BOND; LEA COUNTY, NEW MEXICO.

CASE NO. 13547

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. Terry Pate ("Operator") is the operator of the well specifically identified below, located in Lea County, New Mexico. The said well is hereinafter called the "subject well."

Frances Evelyn Well No. 1 (API No. 30-025-32163) located 990 FSL and 1740FWL (Unit N) of Section 35, Township 19 South, Range 38 East, Lea County

2. Operator has posted financial assurance in the form of a single-well cash bond in the amount of \$7,500 to secure its obligation to properly plug and abandon subject well in compliance with NMSA 1978, Sec. 70-2-14 and O.C.D. Rule 101, which cash bond is conditioned upon compliance with the statutes of the State of New Mexico and the Rules of the Oil Conservation Division ("Division") with respect to the proper plugging and abandonment of wells.

3. The subject well has not produced any hydrocarbon or carbon dioxide substance nor been used for injection for more than one year. No permit for temporary

abandonment has been requested by the Operator or approved by the Division with respect to the subject well.

4. By virtue of Operator's failure to use the subject well for production or other beneficial purpose or to secure a current temporary abandonment permit, the subject well is presumed abandoned, and is required to be plugged.

5. Division Rule 201.B, issued pursuant to the authority of NMSA 1978, Secs. 70-2-12 and 70-2-14, requires that wells that are inactive for more than one year and not temporarily abandoned pursuant to Rule 203, be properly plugged.

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 in accordance with a Division approved plugging program, and to direct the Division to cause such well or wells to be plugged and the operator's financial assurance to be forfeited if, after the time provided in such order, the operator and its surety, if any, have failed to comply.

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

- A. Determining that the subject well should be plugged and abandoned in accordance with a Division-approved plugging program.
- B. Directing the Operator to plug the subject well by a date certain.
- C. Further ordering that if the Operator or surety fails to plug and abandon the subject well as ordered, the Division be authorized: (i) to plug the subject well; (ii) to declare forfeit the security furnished by the Operator;

and (iii) to take necessary and appropriate measures to recover from the Operator any costs of plugging the subject well in excess of the amount of the bond or other security.

- D. For such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,



David K. Brooks
Assistant General Counsel
Energy, Minerals and Natural
Resources Department of the State of
New Mexico
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505)-476-3450

Attorney for The New Mexico Oil
Conservation Division

Case No. 13547. **Application of the New Mexico Oil Conservation Division for an Order Requiring Terry Pate to Properly Plug One Well, Authorizing the Division to Plug Said Well in Default of Compliance by Operator, and Ordering a Forfeiture of Applicable Security, Lea County, New Mexico.** The Applicant seeks an order requiring Terry Pate, the operator of one inactive well in Lea County, New Mexico, to properly plug and abandon the same and, if the Operator fails to do so, authorizing the Division to plug said well and forfeiting Operator's plugging security. The affected well is the following:

Frances Evelyn Well No. 1 (API No. 30-025-32163) located 990 FSL and 1740FWL (Unit N) of Section 35, Township 19 South, Range 38 East, Lea County

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