

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

CASE NO. 13844
ORDER NO. R-12706

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR A COMPLIANCE ORDER AGAINST THORNTON HOPPER, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on January 4, 2007, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 25th day of January, 2007, 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) Thornton Hopper ("Mr. Hopper" or "operator") is the current owner and operator of the following-described five wells located on various Federal leases in Eddy County, New Mexico:

<u>Well Name & Number</u>	<u>API Number</u>	<u>Well Location</u>
• Bradley Federal No. 1	30-015-00391	Unit D, Section 13, T-24S, R-26E
• Bradley Federal No. 2	30-015-00387	Unit P, Section 11, T-24S, R-26E
• Bradley Federal No. 5	30-015-00382	Unit P, Section 11, T-24S, R-26E
• Bradley Federal No. 6	30-015-00386	Unit I, Section 11, T-24S, R-26E
• Bradley Federal No. 8	30-015-00383	Unit K, Section 11, T-24S, R-26E

(3) The New Mexico Oil Conservation Division ("Division") seeks an order finding that Mr. Hopper is in violation of Rule 19.15.4.201 NMAC as to the five subject wells, requiring the operator to bring the five wells into compliance with Rule 19.15.4.201 NMAC by a date certain and, in the event of non-compliance, authorizing the Division to plug the wells in accordance with a Division-approved plugging program.

(4) The Division appeared at the hearing and presented evidence to support its application.

(5) Division records and evidence presented by the Division demonstrate that:

- (a) by letters dated May 11, and December 26, 2000, the Division advised Mr. Hopper that the five subject wells, by virtue of not having been produced or injected into since prior to 1997, were not in compliance with Rule 19.15.4.201 NMAC; and
- (b) by Order No. R-11710 issued in Case No. 12733 on January 15, 2002, the Division ordered Mr. Hopper to bring the five subject wells into compliance with Rule 19.15.4.201 NMAC within 30 days from the date of the order by either: i) causing the wells to be properly plugged and abandoned in accordance with a Division-approved plugging program; ii) returning the wells to active production and/or injection; or iii) causing the wells to be temporarily abandoned in accordance with Division rules. Order No. R-11710 also assessed a civil penalty of \$5,000.00 against Mr. Hopper for non-compliance.

(6) The Division presented further evidence that demonstrates that:

- (a) the Bradley Federal Wells No. 1, 2, 5 and 8 are currently classified as oil wells and the Bradley Federal Well No. 6 is currently classified as a disposal well;
- (b) the Bradley Federal Well No. 1 has not produced since January, 1989, and the Bradley Federal Wells No. 2, 5 and 8 have not produced since December, 1992;
- (c) Mr. Hopper was again contacted by the Division by letter dated June 2, 2006, and was advised at that time that no C-115's (Operator's Monthly Report) had been filed for the subject wells for several reporting periods. The operator was also advised at that time that if the delinquent reports were not filed by August 15, 2006, the Division would seek to revoke the operator's Form C-104 (Request for Allowable and Authorization to Transport);
- (d) no delinquent production reports were filed by the operator prior to the deadline date; and

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(e) by letter dated October 12, 2006, the Division cancelled Mr. Hopper's authority to transport or inject into the five subject wells.

(7) Mr. Hopper has made no attempt to comply with Order No. R-11710, or with any other directives that were issued by the Division in 2006.

(8) Mr. Hopper is in violation of Rule 19.15.4.201 NMAC.

(9) By virtue of the failure to use the wells for beneficial purposes or to have an approved temporary abandonment permit, the subject wells are presumed to have been abandoned by Mr. Hopper.

(10) The subject wells are not currently covered by a plugging bond held by the Division.

(11) Mr. Hopper was provided notice of this application, but did not appear at the hearing.

(12) In order to prevent waste and to adequately protect correlative rights and the environment, Mr. Hopper should be required to bring the five subject wells into compliance with Rule 19.15.4.201 NMAC on or before March 1, 2007.

(13) Should Mr. Hopper not meet this March 1, 2007 obligation, the Division Director should then be authorized to take such action as is deemed necessary to properly plug and abandon the wells and recover from the operator the costs the Division may incur to properly plug and abandon these wells.

IT IS THEREFORE ORDERED THAT:

(1) Thornton Hopper is hereby ordered to bring the following-described wells, located in Eddy County, New Mexico, into compliance with Rule 19.15.4.201 NMAC on or before March 1, 2007, by either: i) causing the wells to be properly plugged and abandoned in accordance with a Division-approved plugging program; ii) returning the wells to active production and/or injection; or iii) causing the wells to be temporarily abandoned in accordance with Division rules:

<u>Well Name & Number</u>	<u>API Number</u>	<u>Well Location</u>
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(2) Thornton Hopper, prior to performing any work on the above-described wells, shall

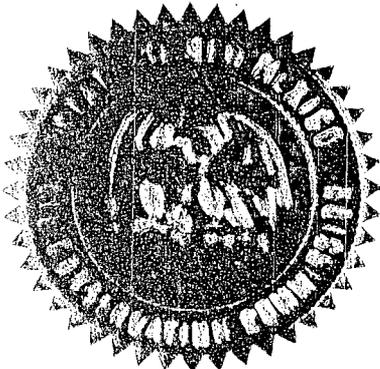
obtain from the supervisor of the Division's district office in Hobbs, an approved work plan, and shall notify the Hobbs District Office of the date and time this work is to commence whereupon the Division may witness such work.

(3) In the event the operator fails to comply with the ordering paragraphs above, then:

- (a) the Division is authorized to plug and abandon the subject well in accordance with 19.15.4.202 NMAC; and
- (b) the Division is authorized to demand and collect reimbursement from the operator of its costs incurred in plugging the wells and restoring and remediating the well sites and associated production facilities.

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

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Mark E. Fesmire
MARK E. FESMIRE, P.E.
Director