

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

**CASE NO. 13361
ORDER NO. R-12276**

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE SUPERVISOR OF DISTRICT I, FOR AN ORDER REQUIRING MILLARD DECK ESTATE TO BRING TWO WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC, ASSESSING AN APPROPRIATE CIVIL PENALTY IN THE EVENT OF NON-COMPLIANCE, AND AUTHORIZING THE DIVISION TO PLUG SAID WELLS, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on November 4, 2004, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 18th day of January, 2005, 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 Oil Conservation Division ("Division") has jurisdiction of this case and its subject matter.
- (2) The Division seeks an order requiring **Millard Deck Estate** as the operator in fact of the following-described inactive wells, to bring these wells into compliance with 19.15.4.201 NMAC, and, in the event of non-compliance by the operator, to assess appropriate civil penalties and authorize the Division to plug the wells.

Alexander No. 1 API No. 30-025-06429
1980 FNL, 660 FWL, (SW/4 NW/4) Lot 2, Section 7,
Township 21 South, Range 37 East, Lea County, New Mexico.

Lea 407 State No. 5 API No. 30-025-03535
660 FNL, 660 FWL, Unit D, Section 33,
Township 21 South, Range 35 East, Lea County, New Mexico.

(3) The operator does not have plugging bonds in place with the Division for either of these wells at this time. Millard Deck Estate had posted a \$50,000 blanket, plugging bond in 1984, but the bond was cancelled in October of 1993.

(4) Tim Walters with Bank of America in Midland, Texas, is acting as the executor of the estate for Millard Deck Estate. Notice was successfully provided to Tim Walters. No party except the applicant made appearance in this case and no other party appeared at the hearing.

(5) Division well records and testimony presented by the Division indicate that:

a) the Alexander Well No. 1 was drilled by F. J. **Danglade** in 1954 and completed open hole in the Queen from 3,435 to 3,650. June D. **Speight** deepened the well unsuccessfully in 1972. Millard Deck assumed operator duties in 1973. The well was transferred to Warrior Inc., in 1976 and back to Millard Deck in 1979. The well was reported as "shut-in" February 7, 1986 and Millard Deck Estate was the operator at that time.

b) the Lea 407 State Well No. 5 was drilled to 3,950 feet by Sinclair Oil & Gas Company in 1958. **Arco**, Millard Deck Oil Company, and Warrior Inc. took turns as operator and, in late 1981, the well was transferred to Millard Deck Estate. That is the last record in the well file.

d) the **ONGARD** database has been in effect since 1993 and, since that time, the record shows no production or injection for these wells; and

e) these wells are observed to be inactive and have not been temporarily abandoned or plugged and abandoned.

(6) The Division finds that:

a) neither of these wells is in compliance with 19.15.4.201 NMAC;

b) the operator should be ordered to bring its wells into compliance;

c) in the event the operator fails to bring its wells into compliance,

(i) the Division should plug the wells and clean up the well sites; and

(ii) the Division should collect from the operator the actual cost of plugging and cleaning up the well sites.

(7) Approval of the Division's application will protect the environment, is necessary to enforce Division Rule 201, and should be approved.

IT IS THEREFORE ORDERED THAT:

(1) Millard Deck Estate as "operator" is hereby ordered to bring the following-described wells into compliance with 19.15.4.201 NMAC on or before February 28, 2005, by either returning them to beneficial use, securing temporary abandonment status in accordance with 19.15.4.203 NMAC, or by plugging and abandoning.

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660 FNL, 660 FWL, Unit D, Section 33,
Township 21 South, Range 35 East, Lea County, New Mexico.

(2) Prior to beginning work on these wells, the operator shall obtain approval for any such work from the supervisor of the Division's district office in Hobbs and shall notify the Hobbs District Office of the date and time this work is to commence, whereupon the Division may witness such work.

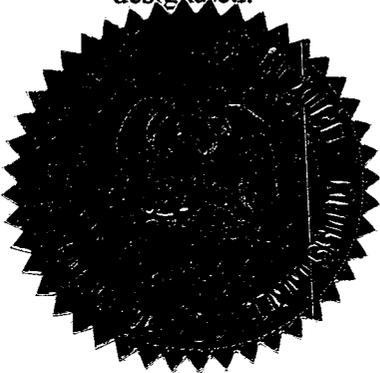
(3) In the event the operator fails to comply with the ordering paragraphs above, then:

a) the Division is authorized to plug and abandon the wells and to remediate the sites thereof in accordance with Division rules; and

b) the Division is further authorized to demand and collect reimbursement from the operator, of its costs incurred in plugging and abandoning the wells and in remediating the well sites.

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

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



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

MARK E. FESMIRE, P.E.
Director