

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 13657
ORDER NO. R-12523**

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR
AN ORDER REQUIRING FI-RO CORPORATION TO PLUG SIX WELLS AND
ORDERING A FORFEITURE OF APPLICABLE FINANCIAL ASSURANCE IN
EVENT OF OPERATOR'S NON-COMPLIANCE; EDDY, COUNTY, NEW
MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on March 2, 2006, at Santa Fe, New Mexico, before Examiner, Richard Ezeanyim.

NOW, on this 20th day of March, 2006, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

- (1) Due notice has been given, and the Division has jurisdiction of this case and of the subject matter.
- (2) In this application the Division seeks an order requiring Fi-Ro Corporation to plug six wells and remediate the locations thereof.
- (3) Fi-Ro Corporation ("Operator") is the operator of the following wells ("the subject wells") located in Eddy County, New Mexico:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
Eddy 35 State No. 1	30-015-23044	1980 FNL, 1980 FEL G-35-18S-24E
Fo Fo No. 1	30-015-22866	2310 FNL, 990 FWL E-32-19S-27E
Fo Fo No. 2	30-015-22867	1650 FNL, 1650 FWL F-32-19S-27E
Fo Fo No. 3	30-015-22868	1650 FNL, 990 FWL E-32-19S-27E

Tidewater State No. 1	30-015-04656	2310 FNL, 1650 FEL G-36-19S-30E
Tidewater State No. 2	30-015-04655	1650 FSL, 1650 FEL J-36-19S-30E

(4) Operator has not reported any production from, injection into, or other use of such wells since the dates indicated below:

<u>Well Name</u>	<u>APINo.</u>	<u>Date of Last Production/Injection</u>
Eddy 35 State No. 1	30-015-23044	July 2001
Fo Fo No. 1	30-015-22866	October 1986
Fo Fo No. 2	30-015-22867	October 1985
Fo Fo No. 3	30-015-22868	June 1987
Tidewater State No. 1	30-015-04656	July 1999
Tidewater State No. 2	30-015-04655	April 2000

(5) None of the subject wells has been plugged, as required by OCD Rule 202 [19.15.4.202 NMAC], nor has Operator at any time applied to place any of the subject wells in approved temporary abandonment status pursuant to OCD Rule 203 [19.15.4.230 NMAC].

(6) Operator was duly notified of this hearing, but did not appear.

(7) OCD Rule 201 [19.15.3.101 NMAC] requires that an operator shall either plug or place in approved temporary abandonment status any well within 90 days after that well has been continuously inactive for a period of one year.

(8) Section 70-2-14 NMSA 1978, as amended, provides that if an Operator fails to comply with a rule of the Division, the Director may, after notice and hearing, order the operator to plug and abandon any well. OCD Rule 101.H [Subsection H of 19.15.3.101 NMAC] provides that if the Division determines at a hearing that the operator has failed to properly plug and abandon a well as required by Division Rules, the Director shall order the well to be plugged and the location restored within a time certain.

(9) The plugging procedures admitted in evidence at the hearing of this case as Exhibits 11 through 16 inclusive are division-approved plugging procedures for the subject wells.

(10) The Division does not now hold any financial assurance from Fi-Ro Corporation.

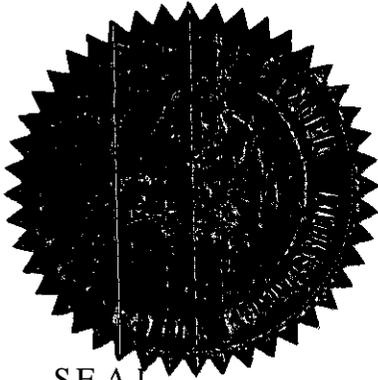
IT IS THEREFORE ORDERED THAT :

(1) Operator is directed to plug the subject wells and to remediate the well sites in accordance with Division rules and in accordance with Exhibits 11 through 16 (or as may be otherwise approved by the Division's District Supervisor for District II), within thirty days after the date of issuance of this order.

(2) If Operator fails to comply with Ordering Paragraph (1) hereof within the time provided, the Division may plug the subject wells and remediate the sites thereof as required, and may pursue all necessary actions to recover from Operator all costs incurred in so doing.

(3) Jurisdiction of this case 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

A handwritten signature in cursive script, appearing to read "Mark E. Fesmire".

MARK E. FESMIRE, P.E.
Director