

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

CASE NO. 13164
ORDER NO. R-12062

IN THE MATTER OF THE HEARING CALLED BY THE NEW MEXICO OIL CONSERVATION DIVISION ("DIVISION") THROUGH THE SUPERVISOR OF DIVISION DISTRICT I OFFICE IN HOBBS, NEW MEXICO ON ITS OWN MOTION FOR AN ORDER: (I) REQUIRING WESTSTAR EXPLORATION COMPANY TO PROPERLY PLUG AND ABANDON ONE WELL IN LEA COUNTY, NEW MEXICO; (II) IMPOSING CIVIL PENALTIES IN THE EVENT OF FAILURE TO COMPLY; (III) ORDERING A FORFEITURE OF APPLICABLE PLUGGING BOND; AND (IV) AUTHORIZING THE DIVISION TO PLUG AND ABANDON THIS WELL.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 9, 2003, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 25th day of November, 2003, 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) Weststar Exploration Company ("Weststar") is the current owner and operator of the T. P. "A" State Well No. 2 (API No. 30-025-22013) located 810 feet from the South line and 1980 feet from the East line (Unit O) of Section 10, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico.

(3) At this time, the Division seeks an order directing the operator to plug the above-described well in accordance with a Division-approved plugging program and, if the operator fails to do so, authorizing the Division to proceed to plug and abandon this well, order the forfeiture of the plugging bond for this well, and impose a civil penalty on the operator for failure to comply with this order.

(4) A representative of the Division's Hobbs District Office appeared at the hearing via conference phone and presented evidence to support the Division's position that the T. P. "A" State Well No. 2 should be plugged and abandoned.

(5) Weststar did not appear at the hearing.

(6) This well has not produced hydrocarbons and has been inactive for more than one year, and no permit for temporary abandonment has been requested by the operator or approved by the Division.

(7) By virtue of the failure to use the well for beneficial purposes or to have an approved temporary abandonment **permit**, the subject well is presumed to have been abandoned by Weststar.

(8) The current condition of the well is such that if action is not taken to properly plug and abandon the well, waste will probably occur, correlative rights will also be violated, livestock and wildlife may be subject to harmful contaminants, and fresh waters **may be** in danger of contamination.

(9) The Division provided notice of this application to Weststar by certified mail on or about September 17, 2003. A record of this mailing from the United States Postal Service demonstrates that Weststar received and signed for this hearing notice on September 29, 2003.

(10) The T. P. "A" State Well No. 2 is currently covered by a \$5,000 single well cash bond held by Bank of America.

(11) In order to prevent waste and to adequately protect correlative rights and the environment, the T. P. "A" State Well No. 2 should be plugged and abandoned by Weststar in accordance with a plugging program approved by the supervisor of the Division's Hobbs District Office on or before January 1, 2004.

(12) Should Weststar not meet this January 1, 2004 plugging obligation, the Division Director should then be authorized to take such action as is deemed necessary to properly plug and abandon this well, forfeit the plugging bond for this well, and recover from the operator additional costs the Division may incur to properly plug and abandon this well.

IT IS THEREFORE ORDERED THAT:

(1) Weststar Exploration Company of Austin, Texas, is hereby ordered to plug and abandon the T. P. "A" State Well No. 2 (API No. **30-025-22013**) located 810 feet from the South line and 1980 feet from the East line (Unit O) of Section 10, Township 11 South, Range 33 East, **NMPM**, Lea County, New Mexico, on or before January 1, 2004.

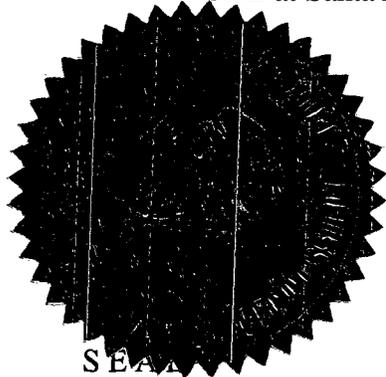
(2) Weststar Exploration Company, prior to plugging and abandoning the above-described well, shall obtain from the supervisor of the Division's district office in Hobbs, an approved plugging program and shall notify the Hobbs District Office of the date and time this work is to commence whereupon the Division may witness such work.

(3) Should Weststar Exploration Company fail or refuse to carry out such provisions in accordance with the terms of this order, the Division shall then take such actions as are necessary to: (i) have this well properly plugged and abandoned; (ii) forfeit the plugging bond for this well and utilize these funds to plug the well; and (iii) recover from the operator additional costs the Division may incur to properly plug and abandon this well.

(4) Failure to comply with the provisions of this order shall **subject** Weststar Exploration Company to a fine of \$1,000.00 per day per well until such work is completed (see Section 70-2-31, NMSA 1978).

(5) 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.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

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LOI WROTENBERY
Director