

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

**APPLICATION OF READ & STEVENS INC. TO  
REMOVE FLARE OIL INC. AS OPERATOR OF  
RECORD OF THE STATE IL COM #001 WELL,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO.** \_\_\_\_\_

**APPLICATION**

Pursuant to NMSA 1978, Sections 70-2-11(A) and 70-2-12(B), and NMAC 19.15.9.9, Read & Stevens Inc. (OGRID No. 18917) (“R&S”) applies for an order: (1) removing Flare Oil Inc. as operator of record of the State IL Com #001 well; and (2) designating R&S as operator of record. Applicant states the following in support of its application:

1. R&S is a registered operator in good standing with the Oil Conservation Division (“Division”).
2. R&S is record title owner of State Lease L0-4609-0001 (“Lease”) covering lands in Section 3 in Township 19 South, Range 24 East, which was terminated on May 21, 2019.
3. Flare Oil Inc. (“Flare”) (OGRID No. 7899) is the operator of record of the State IL Com #001 well (API No. 30-015-23349) (“Well”) located on the Lease at 1980 feet from the north line and 1980 feet from the east line (Unit G) of Section 3, Township 19 South, Range 24 East, Eddy County, New Mexico.
4. The Well was completed in the Boyd; Morrow (Gas) Pool (Pool No. 72840) and first produced in February 1981 and last produced in October 2016.
5. Flare is listed in the Division’s records as the operator of five wells, all of which are inactive and have not produced for over five years.

6. On June 22, 2017, the Division revoked Flare's authority to transport or inject as to all of its wells in New Mexico due to the inactivity of the wells and Flare's failure to file production reports.

7. Division records indicate Flare has made no attempt to resolve its compliance issues. Similarly, R&S made multiple attempts to contact Flare regarding the issues related to the Well but has been unable to locate Flare.

8. Flare is not in good standing with the Division. Similarly, Flare is not in good standing with the Office of the New Mexico Secretary of State, as its corporate status has been revoked.

9. Flare is unavailable, as it has not responded to Division notices, has failed to comply with Division regulations, is no longer licensed to do business in New Mexico, and is unlocatable.

10. As operator of record of the Well, Flare has the obligation under the Oil and Gas Act and Division regulations to properly plug and abandon the well.

11. The New Mexico State Land Office has informed R&S that R&S is responsible for plugging and abandoning the Well because it is record title owner of the Lease. Accordingly, R&S intends to properly plug and abandon the Well and has the right to do so.

12. In order to prevent waste, protect correlative rights, and protect public health and the environment, the Division should remove Flare as operator of the Well and designate R&S as operator of record of the Well so that R&S may properly plug and abandon the Well.

WHEREFORE, Applicant requests this application be set for hearing on December 2, 2021, and after notice and hearing, the Division enter an order removing Flare Oil Inc. as operator of the State IL Com #001 well and approving a change of operator to Read & Stevens Inc. and granting such further relief as the Division deems proper.

Respectfully submitted,

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