

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

CASE NO. 14076  
ORDER NO. R-12935

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION ("DIVISION") THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER FOR A COMPLIANCE ORDER AGAINST TOM R. CONE; (1) FINDING THAT OPERATOR VIOLATED RULE 19.15.4.201 NMAC AS TO FOUR WELLS; (2) REQUIRING OPERATOR TO BRING THE WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC BY A DATE CERTAIN; AND (3) IN THE EVENT OF NON-COMPLIANCE AUTHORIZING THE DIVISION TO PLUG AND ABANDON SAID WELLS, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on February 7, 2008, at Santa Fe, New Mexico, before Examiner Richard I. Ezeanyim.

NOW, on this 28<sup>th</sup> day of April, 2008, 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) The New Mexico Oil Conservation Division ("Division") seeks an order requiring Tom R. Cone to bring each of the following four listed wells into compliance with 19.15.4.201 NMAC by a date certain, by either plugging and abandoning the wells in accordance with 19.15.4.202 NMAC, or securing approved temporary abandonment status for the subject wells in accordance with 19.15.4.203 NMAC, or returning the subject wells to Division-approved beneficial use:

	Well Name	API Number	Location
(a)	Donnelly Pan American #001Y	30-015-05739	G-5-19S-31E
(b)	Federal 18 # 002	30-015-10228	K-18-19S-31E

- |     |                                |              |              |
|-----|--------------------------------|--------------|--------------|
| (c) | Federal 18 # 004               | 30-015-20226 | G-18-19S-31E |
| (d) | North Shugart Queen Unit # 011 | 30-015-05600 | N-21-18S-31E |

(3) The Division also seeks an order declaring the wells abandoned and authorizing the Division to plug and abandon the wells should the operator fail to plug and abandon the wells

(4) Prior to the hearing, the Donnelly Pan American #001Y, and the North Shugart Queen Unit #011 were brought into compliance with the Division Rules. Therefore, the case pertaining to these two wells should be dismissed.

(5) The Division appeared at the hearing through legal counsel and presented the following testimony.

- (a) Tom R. Cone is the current operator of the two remaining wells listed in finding Paragraph (2)
- (b) The two wells have been inactive for at least a continuous period of one (1) year plus ninety (90) days;
- (c) The subject wells are neither plugged and abandoned in accordance with 19.15.4.202 NMAC, nor placed in approved temporary abandonment status in accordance with 19.15.4.203 NMAC.

(6) The Division records indicate that no plugging bonds were posted for these wells, because these wells are on Federal lands. The plugging bonds were posted with the United States Bureau of Land Management (BLM).

(7) Tom R. Cone did not appear at the hearing to contest the testimony presented by the Division in this case.

(8) The Division concludes that Tom R. Cone is the operator of the two remaining wells in this case, and should be ordered to bring the wells into compliance with the Division Rules.

**IT IS THEREFORE ORDERED THAT:**

(1) Pursuant to the application of the Division, Tom R. Cone is hereby ordered to plug and abandon the following two wells, or secure approved temporary abandonment status for the wells, or return the subject wells to production or other Division-approved beneficial use by June 30, 2008.

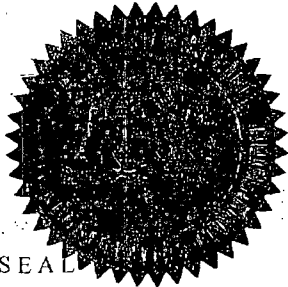
	Well Name	API Number	Location
(a)	Federal 18 # 002	30-015-10228	K-18-19S-31E
(b)	Federal 18 # 004	30-015-20226	G-18-19S-31E

(2) Should Tom R. Cone fail to comply with the Ordering Paragraph (1) above, the Division shall be authorized to plug and abandon the subject wells. However, the Division shall deny all future Applications for Permit to Drill (APD), and all Request for Allowable and Authorization to Transport oil and gas (Form C-104) submitted by the operator.

(3) The case pertaining to the Donnelly Pan American #001Y, and the North Shugart Queen Unit #011 is hereby dismissed.

(4) 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.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read "Mark E. Fesmire".

MARK E. FESMIRE, P.E.  
Director

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