

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

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Oil Conservation Division

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE SUPERVISOR OF DISTRICT I, FOR AN ORDER REQUIRING WOOD, MCSHANE & THAMS TO PROPERLY REMEDIATE THE LOCATION OF A PLUGGED WELL, ASSESSING AN APPROPRIATE CIVIL PENALTY IN EVENT OF OPERATOR'S FAILURE TO COMPLY, AUTHORIZING THE DIVISION TO PERFORM REMEDIATION AND ORDERING A FORFEITURE OF APPLICABLE BOND; ROOSEVELT COUNTY, NEW MEXICO.

CASE NO. 13/29

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. Wood, McShane & Thams ("Operator") was the operator of the Newmarket & Green 16 State Well No. 1 (API No. 30-041-20812), located in the SE/4 SW/4 (Unit N) of Section 16, Township 6 South, Range 33 East, Roosevelt County, New Mexico (hereinafter called "the well").

2. The well was plugged on June 2, 1987, but the location has not been cleaned and remediated as required by Rule 202.B(3). The reserve pit was never closed. There is a large amount of plastic lining sticking up, and the pit needs to be leveled.

3. Operator has posted a blanket surety bond in the amount of \$50,000 to secure its obligation to properly plug and abandon all its wells in the State of New Mexico in compliance with NMSA 1978, Sec. 70-2-14 and O.C.D. Rule 101, which surety bond is conditioned upon compliance with the statutes of the State of New Mexico and the Rules of the Oil Conservation Division ("Division") with respect to the proper

plugging and abandonment of all wells operated by Operator. Trinity Universal Insurance Company is the surety on said bond, and the number of the bond is 414372.

4. Division Rule 202.B, issued pursuant to the authority of NMSA 1978, Secs. 70-2-12 and 70-2-14, requires that when a well is plugged:

(3) As soon as practical but no later than one year after the completion of plugging operations, the operator shall:

- (a) fill all pits;
- (b) level the location;
- (c) remove deadmen and all other junk; and
- (d) take such other measures as are necessary or required by the Division to restore the location to a safe and clean condition.

6. Division Rule 101.M, issued pursuant to the same authority, authorizes the Division, after notice and hearing, to order the operator comply with Rule 201, and to direct remedial action by the Division and bond forfeiture if, after the time provided in such order, the operator and its surety, if any, have failed to comply.


WHEREFORE, the Supervisor of District I of the Division hereby applies to the Director to enter an order:

- A. Determining whether the subject well site should be remediated in accordance with Rule 202.B(3).
- B. Directing Operator to comply by a date certain.
- C. Assessing an appropriate civil penalty in event of Operator's failure to comply.
- D. Further ordering that if Operator or Trinity Universal Insurance Company, its surety, fails complete remediation of the well site as ordered by the Director, the Division be authorized: (i) to conduct such remediation; (ii)

to declare forfeit the security furnished by the Operator to the extent necessary to fully reimburse the Division for its expenses incurred in accomplishing the foregoing; and (iii) to take necessary and appropriate measures to recover from the Operator any costs so incurred by the Division in excess of the amount of the bond or other security, if any.

- E. For such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,

A handwritten signature in dark ink, appearing to read "David K. Brooks", is written over a horizontal line.

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