

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR AN ORDER REQUIRING THE ESTATE OF REUBEN F. MOMSEN TO PLUG ONE WELL AND ORDERING A FORFEITURE OF APPLICABLE FINANCIAL ASSURANCE IN EVENT OF OPERAOR'S NON-COMPLIANCE; EDDY COUNTY, NEW MEXICO.

CASE NO. 137

AMENDED APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

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1. The Estate of Reuben F. Momsen ("Operator") is the operator of the following well (the subject well) in Eddy County, New Mexico:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
North State #1	30-015-00931	1650 FNL/2310 FEL G-23-18S-27E

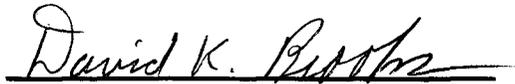
2. Operator has posted the following applicable financial assurance: \$5,000 one-well surety bond number A-E-71334-40, issued by American Employers Insurance Company.

3. The subject well has been inactive for more than one year plus ninety days, and has not been approved for temporary abandonment. This well is accordingly in violation of Division Rule 201.

WHEREFORE, the Supervisor of District II of the Division requests an order:

- A. Determining that the subject well should be plugged and abandoned in accordance with a Division-approved plugging program.
- B. Directing the Operator to plug the subject well by a date certain, and thereafter to remediate the site in accordance with OCD Rules.
- C. Ordering that if the Operator does not plug the subject well within the time provided, the Division be authorized: (i) to plug the subject well and remediate the site; (ii) to declare forfeit the above-described financial assurance; and (iii) to take necessary and appropriate measures to recover from the Operator any costs of plugging the subject well in excess of the amount of the applicable financial assurance.

RESPECTFULLY SUBMITTED,



David K. Brooks
Assistant General Counsel
Energy, Minerals and Natural
Resources Department of the State of
New Mexico
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505)-476-3450

Attorney for The New Mexico Oil
Conservation Division



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

May 18, 2006

American Employers Insurance Company
One Beacon Street
Boston, MA 02108

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Re: Case No. 13713: Application of the New Mexico Oil Conservation Division for an Order Requiring The Estate of Reuben F. Momsen to Plug One Well and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance; Eddy County, New Mexico

Ladies and Gentlemen:

You are hereby notified that the New Mexico Oil Conservation Division has filed the referenced Application (copy enclosed), seeking an Order requiring the Estate of Reuben F. Momsen to properly plug and abandon one well in Lea County, New Mexico, identified in said application.

A hearing on this application will take place before a Division hearing examiner on Thursday, June 8, 2006, at 8:15 a.m., in Porter Hall, First Floor, 1220 South St. Francis Drive in Santa Fe, New Mexico. At that hearing you will have an opportunity to show cause why an order should not be entered as requested in the Application. If you intend to present evidence in opposition to this application, you must file a pre-hearing statement, as described in Division Rule 1211.B with Division Clerk, Florene Davidson, at Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, before 5:00 P.M., Mountain Time on Thursday, June 1, 2006.

The Estate of Reuben F. Momsen posted a surety bond, in the amount of \$5,000, number A-E-71334-40, issued by American Employers Insurance Company. That security will be forfeited if an order is entered as requested and the operator fails to comply therewith.

The Division has no address on file for the Estate of Reuben F. Momsen. Accordingly, notice of this proceeding will be served on the Estate by publication in Eddy County, New Mexico.

Inquiries concerning this application may be directed to the undersigned in the Santa Fe office of the Division at (505)-476-3450.

Very truly yours,

A handwritten signature in cursive script that reads "David K. Brooks". The signature is fluid and somewhat stylized, with the first and last names being clearly legible.

David K. Brooks
Assistant General Counsel

cc: Tim Gum, District Supervisor