

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

CASE NO. 13713
ORDER NO. R-12572

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 OPERATOR'S NON-COMPLIANCE, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on June 8, 2006, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 21st day of June, 2006, the Oil Conservation Division ("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 Division seeks an order requiring The Estate of Reuben F. Momsen ("operator") to plug and abandon the following well in accordance with 19.15.4.201 NMAC by a date certain, and in the event of non-compliance, authorizing the Division to plug the well in accordance with a Division-approved plugging program, to forfeit any applicable financial assurance, and to take the 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:

| <u>Well Name</u> | <u>API</u> | <u>Location</u> |
|------------------------|--------------|---|
| North State Well No. 1 | 30-015-00931 | Unit G, Section 23, T18S, R27E Eddy County, New Mexico |

(3) In accordance with the provisions of 19.15.14.1207 NMAC, notice of this hearing was mailed to the address of record of the operator and to the surety company. No party other than the applicant entered an appearance or was present at the hearing.

- (4) The evidence presented by the Division demonstrates that:
 - a) the last operator of record for the subject well is The Estate of Reuben F. Momsen;
 - b) the operator has posted a \$5,000 one-well surety bond (number A-E-71334-40) issued by American Employers Insurance Company;
 - c) the subject well has been inactive for a period in excess of one year plus 90 days;
 - d) the well was never approved for temporary abandonment in accordance with 19.15.4.203 NMAC; and
 - e) the well has not been permanently plugged and abandoned in accordance with 19.15.4.202 NMAC;

(5) The Estate of Reuben F. Momsen should be formally required to plug and abandon this well in accordance with 19.15.4.202 NMAC on or before August 1, 2006.

(6) Should The Estate of Reuben F. Momsen not meet this August 1, 2006 compliance deadline, the Division Director should then be authorized to (i) plug and abandon the subject well in accordance with Division-approved plugging programs, (ii) forfeit the applicable financial surety for plug and abandonment costs, and (iii) 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.

IT IS THEREFORE ORDERED THAT:

(1) The Estate of Reuben F. Momsen (“operator”) is hereby directed to plug and abandon the following well in accordance with 19.15.4.202 NMAC on or before August 1, 2006:

| <u>Well Name</u> | <u>API</u> | <u>Location</u> |
|------------------------|--------------|---|
| North State Well No. 1 | 30-015-00931 | Unit G, Section 23, T18S, R27E Eddy County, New Mexico |

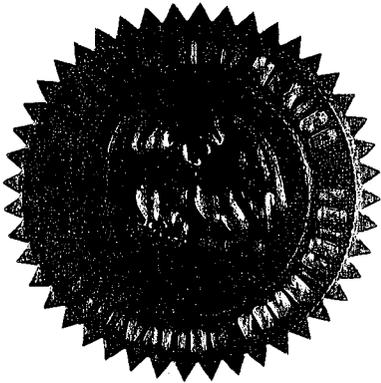
(2) Prior to beginning work on this well, the operator shall obtain approval for any such work from the supervisor of the Division’s district office in Artesia and shall notify the Artesia District Office of the date and time this work is to commence so the Division may witness the work.

(3) In the event the operator fails to plug this well as directed above, then:

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- a) the Division is authorized to plug and abandon the subject well and reclaim the well location;
 - b) the Division is authorized to forfeit any applicable financial assurance for plug and abandonment and reclamation costs; and
 - c) the Division is authorized to take necessary and appropriate measures to recover from the operator any costs of plugging the subject well and costs of cleanup of the well site in excess of the amount of any applicable financial assurance.
- (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.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

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

MARK E. FESMIRE, P.E.
Director