

**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 TEMPO ENERGY, INC. TO PLUG ONE WELL AND
ORDERING A FORFEITURE OF APPLICABLE FINANCIAL ASSURANCE IN
EVENT OF OPERAOR'S NON-COMPLIANCE; LEA COUNTY, NEW MEXICO.**

CASE NO. 13711

AMENDED APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. Tempo Energy, Inc. ("Operator") is the operator of the following well (the subject well) in Lea County, New Mexico:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
San Simon State #6	30-025-29839	2310 FNL/990 FEL H-4-22S-35E

2. Operator has posted the following applicable financial assurance: \$50,000 blanket surety bond number 980F9988, issued by The Traverlers Indemnity 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 I 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

Tempo Energy, Inc.
4000 N. Big Spring
Suite 109
Midland, TX 79705

The Travelers Indemnity Co.
One Tower Square
Hartford, CT 06183

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Re: Case No. 13711: Application of the New Mexico Oil Conservation Division for an Order Tempo Energy, Inc. to Plug One Well and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance; Lea 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 you 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.

You posted a surety bond, in the amount of \$50,000, number 980F9988, issued by The Travelers Indemnity Company. That security will be forfeited if an order is entered as requested and you fail to comply therewith.

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".

David K. Brooks
Assistant General Counsel

cc: Chris Williams, District Supervisor