

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

AMENDED APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE SUPERVISOR OF DISTRICT I, FOR AN ORDER REQUIRING ORBIT ENTERPRISES TO PROPERLY PLUG TWO (2) WELLS IN ROOSEVELT COUNTY, NEW MEXICO, AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND ORDERING A FORFEITURE OF APPLICABLE SECURITY DEPOSIT.

CASE NO. 12951

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. Orbit Enterprises (“Operator”) is the operator of the following wells located in Lea County, New Mexico:

State BA Well No. 1 (API No. 30-041-10003) located 990 feet from the North and East lines (Unit A) of Section 34, Township 7 South, Range 35 East, Roosevelt County, New Mexico.

State BA Well No. 2 (API No. 30-041-20048) located 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 34, Township 7 South, Range 35 East, Roosevelt County, New Mexico.

2. Operator has posted a blanket cash bond in the amount of \$50,000 to secure its obligation to properly plug and abandon its wells, in compliance with NMSA 1978, Sec. 70-2-14 and O.C.D. Rule 101. United New Mexico Bank is the depository of said cash collateral deposit, which is held in account number 0100064979.

3. The subject wells have not produced any hydrocarbon or carbon dioxide substance since 1997 and are no longer usable for beneficial purposes. No permit for temporary abandonment of either of the said wells has been requested by the Operator or approved by the Division.

4. By virtue of Operator's failure to use the subject wells for production or other beneficial purposes or to secure current temporary abandonment permits, the wells are presumed abandoned, and are required to be plugged.

5. Division Rule 201.B, issued pursuant to the authority of NMSA 1978, Secs. 70-2-12 and 70-2-14, requires that wells that are inactive for more than one year or are no longer usable for beneficial purposes be properly plugged.

6. Division Rule 101.M, issued pursuant to the same authority, authorizes the Division, after notice and hearing, to order the operator to plug and abandon any well or wells not in compliance with Rule 201, and to direct the Division to cause such well or wells to be plugged in accordance with a Division approved plugging program if, after the time provided in such order, the operator and its surety, if any, have failed to do so.

7. This amended application is filed to correct an error in the legal description of the locations of the subject wells in the original application in this case.

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

- A. Determining whether the subject wells should be plugged and abandoned.
- B. Upon a determination that the wells should be plugged, directing the Operator to plug the wells without delay, in accordance with a division-approved plugging program, and to cause the sites thereof to be remediated in accordance with Division Rule 202.B(3).
- C. Further ordering that if the Operator fails to plug and abandon the wells as ordered by the Director, the Division be authorized: (i) to plug the subject

wells in accordance with a division-approved plugging program and to cause the sites to be remediated; (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 of plugging the subject wells and of site remediation in excess of the amount of the security, if any.

- D. For such other and further relief as the Division deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,



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(Readvertised.)

Case No. 12951. **Application of the New Mexico Oil Conservation Division for an Order Requiring Orbit Enterprises to Properly Plug Two (2) Wells, Imposing Civil Penalties in Event of Failure to Comply, Authorizing the Division to Plug Said Wells in Default of Compliance by Orbit Enterprises, and Ordering a Forfeiture of Applicable Security; Roosevelt County, New Mexico.** The Applicant seeks an order requiring Orbit Enterprises, the operator of two (2) inactive wells in Roosevelt County, New Mexico, to properly plug and abandon the same, imposing civil penalties in event of failure to comply, authorizing the Division to plug said wells if the operator fails to do so, forfeiting Operator's plugging security, and providing for such other relief as the Director deems appropriate. The affected wells are the following:

<u>Operator</u>	<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
Orbit Enterprises	State BA Well No.1	30-041-10003	A-34-07S-35E
Orbit Enterprises	State BA Well No. 2	30-041-20048	H-34-07S-35E