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Oil Conservation Division

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION THROUGH THE SUPERVISOR OF DISTRICT II FOR AN ORDER REQUIRING THE CHRISTOPHER #1 WELL LOCATED IN UNIT B OF SEC. 32, T-06-S, R-26-E; THE ZIMMERMAN WELL NO. 2 LOCATED IN UNIT F AND AND THE ZIMMERMAN WELL NO. 3 LOCATED IN UNIT C, BOTH IN SECTION 35, T-10-S, R-25-E, CHAVES COUNTY, NEW MEXICO, TO BE PROPERLY PLUGGED, AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND ORDERING A FORFEITURE OF THE PLUGGING BOND, IF ANY.

CASE NO. _____

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. Charles W. Harle, (hereinafter called "Operator") is the operator of the Christopher Well No. 1 located in Unit B of Sec. 32, T-6-S, R-26-E, the Zimmerman Wells Nos. 2 and 3 in Units F and C, of Section 35, T-10-S, R-25-E, Chaves County, New Mexico.

2. Charles W. Harle, as Operator, has posted surety bonds in the amount of \$5,000 for each of said wells in compliance with Section 70-2-14 N.M.S.A. 1978 and Rule 101 of the Rules and Regulations of the Oil Conservation Division, which bonds are conditioned upon compliance with the statutes of the State of New Mexico and the Rules and Regulations of the Division with respect to the proper plugging and abandonment of the wells operated by Operator.

3. American Employers' Insurance Company is surety on the bond, Bond No. AE 71344-11, for the Christopher #1 well, and American Manufacturers Mutual Insurance Co. is

surety on the bond, Bond No. 9SE-064-534, for the Zimmerman #2 well and the bond, Bond No. 9SE-064-533, for the Zimmerman #3 well.

4. The subject wells have not produced hydrocarbon substance or have otherwise been inactive for more than one year or are no longer usable for beneficial purposes and no permit for temporary abandonment has been requested by the Operator and approved by the Division.

5. By virtue of the failure to use the wells for beneficial purposes or to have an approved current temporary abandonment permit, the subject wells are presumed to have been abandoned and are required to be plugged.

6. By authority of Section 70-2-12 N.M.S.A. 1978, the Rules and Regulations of the Division require wells which are inactive for more than one year or are no longer usable for beneficial purposes to be properly plugged.

7. Demand has been made upon the Operator to either place the subject wells to beneficial use, obtain approval for temporary abandonment or properly plug and abandon the same and the Operator has failed to do so.

WHEREFORE, the Supervisor of District II of the Oil Conservation Division applies to the Director to enter an order:

1. Determining whether or not Christopher No. 1, Zimmerman No. 2 and 3 wells should

be plugged in accordance with a Division-approved plugging program.

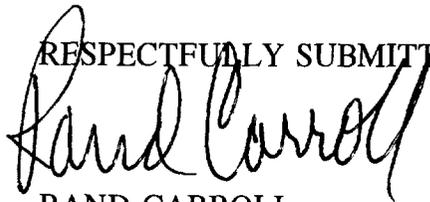
2. Upon determination that said wells should be plugged directing Charles W. Harle. as Operator to plug said wells.

3. Further ordering that if operator fails to plug and abandon said wells as ordered by the Director, that the Division be authorized:

- a. to plug said wells;
- b. to declare forfeit on said bonds and to take such action to foreclose on said bonds; and
- c. to recover from the Operator any costs of plugging in excess of the amount of the bond, if any.

4. For such other and further relief as the Division seems just and proper.

RESPECTFULLY SUBMITTED,



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