

OIL CONSERVATION DIVISION
DEPARTMENT NO: 32

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 I FOR AN ORDER REQUIRING TEXAS WEST OIL & GAS, CORP. TO REMEDIATE ONE WELLSITE IN LEA COUNTY, NEW MEXICO, AUTHORIZING THE DIVISION TO REMEDIATE SAID WELLSITE, AND ORDERING A FORFEITURE OF THE BOND, IF ANY.

CASE NO. 12537

APPLICATION TO REMEDIATE WELLSITE AND FORFEITURE OF BOND

1. Texas West Oil & Gas, Corp. ("Operator") is the operator of the State "27" Well No. 1, located 330' FSL and 330' FEL of Section 27, Township 15 South, Range 37 East in Lea County, New Mexico.

2. Operator has posted a surety bond in the amount of \$50,000.00 for said well in compliance with NMSA 1978, § 70-2-14 and Rule 101 of the Rules of the Oil Conservation Division ("Division"), which bond is conditioned upon compliance with the statutes of the State of New Mexico and the Rules of the Division with respect to the proper plugging and abandonment of the well operated by Operator. American Employers' Insurance Co. is the surety .

3. The subject well has been plugged, but the wellsite has not been properly remediated in accordance with Rule 202, despite numerous demands by the Division to the Operator to do so.

4. By authority of NMSA 1978, § 70-2-14 the Rules of the Division require wells that are inactive for more than one year or are no longer usable for beneficial purposes to be properly plugged and abandoned.

5. Demand has been made or attempted to be made upon the Operator to properly

remediate the wellsite, and the Operator has failed to do so.

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

A. Determining the wellsite should be remediated in accordance with a Division-approved plugging program.

B. Upon a determination that the wellsite should be remediated, directing Operator to do so.

C. Further ordering that if Operator fails to remediate the wellsite as ordered by the Director, that the Division be authorized: i. To remediate the wellsite; ii. to declare forfeit on the bond, if any, and to take such action to foreclose on the bond; and iii. to recover from the Operator any costs of remediating the wellsite in excess of the amount of the bond, if any.

D. For such other and further relief as the Division deems just and proper, including the assessment of fines.

RESPECTFULLY SUBMITTED,



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