

**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 III, FOR AN ORDER
REQUIRING ROBERT AND MARJORIE WILKINSON TO PROPERLY PLUG
ONE WELL IN MCKINLEY COUNTY, NEW MEXICO, AUTHORIZING THE
DIVISION TO PLUG SAID WELL AND ORDERING A FORFEITURE OF
APPLICABLE PLUGGING BOND, IF ANY.**

CASE NO. 12719

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. Robert Wilkinson and Marjorie Wilkinson (“Operators”) are the operators of the following well (hereinafter called the “subject well”), located in McKinley County, New Mexico:

- (1) Jaco No. 60, located 500 feet from the North line and 610 feet from the West line (Unit D) of Section 32, Township 20, North, Range 9 West, McKinley County, New Mexico (API No. 30-031-20880).

2. Operators formerly posted a surety bond in the amount of \$50,000 for all of their operations in the State of New Mexico in compliance with NMSA 1978, Sec. 70-2-14 and O.C.D. Rule 101, which bond was conditioned upon compliance with the statutes of the State of New Mexico and the Rules of the Oil Conservation Division (“Division”) with respect to the proper plugging and abandonment of the wells operated by Operators. Allied Fidelity was the surety named in said bond. However, the Division has been unable to determine if this bond is currently in effect.

3. The subject well has not produced any hydrocarbon or carbon dioxide substance for more than one year and is no longer usable for beneficial purposes. No permit for temporary abandonment has been requested by the Operators or approved by the Division.

4. By virtue of Operators' failure to use the well for production or other beneficial purposes or to secure a current temporary abandonment permit, the well is presumed abandoned, and is 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 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 authorize the Division to cause such well or wells to be plugged if, after the time provided in such order, the operator and its surety have failed to do so.

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

- A. Determining whether the subject well should be plugged and abandoned in accordance with a Division-approved plugging program.
- B. Upon a determination that the well should be plugged, directing the Operators to plug the well without delay.

- C. Further ordering that if the Operators fail to plug and abandon the well as ordered by the Director, that the Division be authorized: (I) to plug the subject well in accordance with a division-approved plugging program; (ii) to declare forfeit the bond furnished by the Operators, if any, 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 Operators any costs of plugging the subject well in excess of the amount of the bond, if any, or the full amount of such costs if no valid bond exists.
- D. For such other and further relief as the Division deems just and proper under the circumstances.

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