

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

**CASE NO. 12459
ORDER NO. R-11520**

IN THE MATTER OF THE HEARING CALLED BY THE NEW MEXICO OIL CONSERVATION DIVISION ("DIVISION") THROUGH THE SUPERVISOR OF DIVISION DISTRICT II IN ARTESIA, NEW MEXICO ON ITS OWN MOTION FOR AN ORDER: (I) REQUIRING I. T. PROPERTIES TO PROPERLY PLUG AND ABANDON A CERTAIN WELL IN EDDY COUNTY, NEW MEXICO; OR (II) AUTHORIZING THE DIVISION TO PLUG AND ABANDON THIS WELL, AND ORDERING A FORFEITURE OF ANY PLUGGING BOND COVERING THIS WELL.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on January 11, 2001, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 31st day of January, 2001, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

- (1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.
- (2) I. T. Properties of Arlington, Texas is the current owner and operator of the DHY State Well No. 1 (API No. 30-015-21638) located 1980 feet from the North and West lines (Unit F) of Section 23, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico.
- (3) In compliance with Section 70-2-14, NMSA 1978 and Division Rule 101 the operator has posted with the Division a blanket plugging bond in the amount of \$ 50,000.00 issued by the Gulf Insurance Company of Dallas, Texas, as surety (Bond No. 58-54-63).
- (4) The purpose of a plugging bond is to assure that an operator will properly plug and abandon its well or wells when not capable of commercial production or no longer utilized for some other beneficial purpose.
- (5) At this time, the Division seeks an order directing the operator to plug the

(2) I. T. Properties, prior to plugging and abandoning the above-described well, shall obtain from the supervisor of the Division's district office in Artesia, New Mexico, an approved plugging program and shall notify the Artesia District Office of the date and time this work is to commence whereupon the Division may witness such work.

(3) Should I. T. Properties fail or refuse to carry out such provisions in accordance with the terms of this order, the Division shall then take such actions as are necessary to have this well properly plugged and abandoned. Further, the Division shall then be authorized to take such action as is deemed necessary to foreclose on the \$ 50,000.00 blanket plugging bond issued by Gulf Insurance Company of Dallas, Texas, as surety (Bond No. 58-54-63), and to recover from the operator any costs in excess of the amount of this bond to help defray plugging costs incurred by the Division.

(4) Failure to comply with the provisions of this order shall subject I. T. Properties to a fine of \$1,000.00 per day per well until such work is completed (see Section 70-2-31, NMSA 1978).

(5) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director