

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 15139
ORDER NO. R-13867**

**IN THE MATTER OF THE HEARING CALLED BY THE OIL
CONSERVATION DIVISION FOR A COMPLIANCE ORDER AGAINST KIRBY
EXPLORATION COMPANY OF TEXAS, FINDING THAT THE OPERATOR IS
IN VIOLATION OF RULE 19.15.25.8 NMAC AS TO ONE WELL, REQUIRING
OPERATOR TO BRING SAID WELL INTO COMPLIANCE WITH RULE
19.15.25.8 NMAC BY A DATE CERTAIN, AND IN THE EVENT OF NON-
COMPLIANCE, DECLARING THE WELL ABANDONED AND AUTHORIZING
THE DIVISION TO PLUG THE WELL IN LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on June 12, 2014, at Santa Fe, New Mexico, before Examiner Richard I. Ezeanyim.

NOW, on this 23rd day of July, 2014, 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 of the subject matter:

(2) The Division seeks a compliance order against Kirby Exploration Company ("**operator**"), finding that the operator is in violation of Rule 19.15.25.8 NMAC as to one well, requiring the operator to plug and abandon the well by a date certain, and authorizing the Division to plug and abandon the well and forfeit any applicable financial assurances if the operator fails to comply with this order.

The Division appeared at the hearing through legal counsel and presented the following testimony.

(3) Kirby Exploration Company ("Kirby") is the operator of record of GG Travis Well No. 1 (API No. 30-025-108200) ("the subject well"), located in Unit I of Section 21, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

(4) George Peterkin, Jr. (President) and Myron H. Newman (Vice President) are the officers of record for Kirby Exploration Company.

(5) Kirby has no financial assurance on record for the subject well.

(6) The operator is required to plug and abandon or temporarily plug and abandon a well in accordance with Division Rule 19.15.25.8 NMAC within ninety (90) days after a period of one year of continuous inactivity. The subject well has been inactive for a continuous period in excess of one year plus ninety days, and is neither plugged and abandoned nor on approved temporary abandonment status.

(7) The Oil Conservation Division gave notice of this application to Kirby Exploration Company, but the operator did not appear at the hearing to oppose the granting of this application.

The Division Concludes as Follows:

(8) Kirby is the operator of record for the subject well and is responsible for compliance with the Division rules with respect to the subject well.

(9) NMSA 1978, Section 70-2-14(B) provides, in relevant part that, "If any of the requirements of the Oil and Gas Act [70-2-1 NMSA 1978] or the rules promulgated pursuant to that act have not been complied with, the Oil Conservation Division, after notice and hearing, may order any well plugged and abandoned by the operator or surety or both in accordance with division rules."

(10) Kirby is in violation of the inactive well Rule 19.15.25.8 NMAC, and should plug and abandon the well by a date certain, and authorizing the Division to plug and abandon the well, and forfeit any financial assurance if Kirby fails to comply with this order.

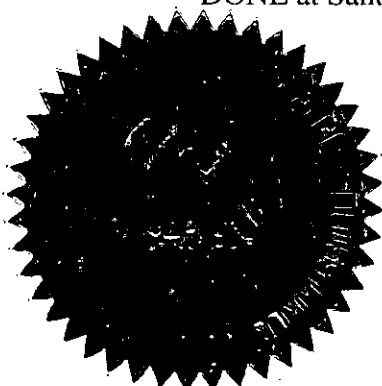
IT IS THEREFORE ORDERED THAT:

(1) The application of the Oil Conservation Division for a compliance order against Kirby Exploration Company is hereby granted. Kirby Exploration Company shall plug and abandon the subject well or place the well in approved temporary abandonment status by September 22, 2014.

(2) After September 22, 2014, Kirby Exploration Company shall be in violation of this order if the work described in Ordering Paragraph (1) above is not yet done, and the Division may plug and abandon the subject well, remediate the well site, and collect any applicable financial assurance.

(3) 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

JAMI BAILEY
Director