

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

OIL CONSERVATION DIV.
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**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
THROUGH THE SUPERVISOR OF DISTRICT I FOR AN ORDER REQUIRING COM-
TEK RESOURCES, INC./ NORTH LEA JOINT VENTURE TO PROPERLY PLUG
FIVE WELLS IN LEA COUNTY, NEW MEXICO, AUTHORIZING THE DIVISION TO
PLUG SAID WELLS, AND ORDERING A FORFEITURE OF THE PLUGGING BOND,
IF ANY.**

CASE NO. 12475

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. Com-Tek Resources, Inc./North Lea Joint Venture ("Operator") is the operator of the following five wells:

- a. Pruitt A No. 1 in Unit G of Section 17, Township 9 South, Range 34 East;
- b. Betenbough No. 2 in Unit M, Section 12, Township 9 South, Range 35 East;
- c. Betenbough No. 3 in Unit P, Section 12, Township 9 South, Range 35 East;
- d. Betenbough No. 4 in Unit J, Section 12, Township 9 South, Range 35 East;
- and
- e. Betenbough No. 5 in Unit L, Section 12, Township 9 South, Range 35 East.

2. Operator has posted a blanket surety bond in the amount of \$50,000.00 for wells it operates in New Mexico 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. Underwriters Indemnity Company is the surety.

3. The subject wells have not produced hydrocarbon or carbon dioxide 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 or approved by the Division.

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

5. 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.

6. Demand has been made or attempted to be made upon the Operator either to 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 I of the Oil Conservation Division applies to the Director to enter an order:

A. Determining whether the wells should be plugged in accordance with a Division-approved plugging program.

B. Upon a determination that the wells should be plugged, directing Operator to plug the wells.

C. Further ordering that if Operator fails to plug and abandon the wells as ordered by the Director, that the Division be authorized: i. to plug the wells; 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 plugging the wells 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,

A handwritten signature in black ink, appearing to read "Marilyn S. Hebert", written over the printed name.

Marilyn S. Hebert, Attorney
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505
(505) 827-8156

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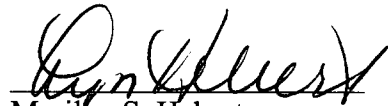
PERSONS TO BE NOTIFIED

The following are the persons to be notified in this matter:

COM-TEK RESOURCES, INC.
North Lea Joint Venture
Attn: J. Ellerton
1624 Market Street
Suite 209
Denver, CO 80202

Underwriters Indemnity
8 Greenway Plaza
Houston, TX 77046

Respectfully submitted



Marilyn S. Hebert

Attorney

Oil Conservation Division
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