

**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
TOMMY L. WILLYARD AND TOMMY L. WILLYARD JR. DBA R.W. OIL
COMPANY TO BRING FOUR WELLS INTO COMPLIANCE WITH 19.15.4.201
NMAC, ASSESSING AN APPROPRIATE CIVIL PENALTY IN THE EVENT OF
NON-COMPLIANCE, AUTHORIZING THE DIVISION TO PLUG SAID WELLS
AND ORDERING A FORFEITURE OF THE APPLICABLE PLUGGING BOND;
CHAVES COUNTY, NEW MEXICO.**

2005 JUN 11 PM 3 05
CASE NO. 13412

APPLICATION FOR COMPLIANCE ORDER

1. The records of the Oil Conservation Division ("Division") identify Tommy L. Willyard, doing business as RW Oil Company, as the operator of record under OGRID 19869 for the following wells (the "subject wells"):

Reno Federal #001, API 30-005-00548, UL L, Sec. 3, 15S, 31E, Chaves Co.
Reno Federal #002, API 30-005-10151, UL M, Sec. 3, 15S, 31E, Chaves Co.
Reno Federal #003, API 30-005-10152, UL K, Sec. 3, 15S, 31E, Chaves Co.
Reno Federal #004, API 30-005-10153, UL N, Sec. 3, 15S, 31E, Chaves Co.

2. The records of the Division indicate that the Operator's obligation to plug and abandon the subject wells in compliance with the rules of the Division is secured with a \$50,000 blanket bond, number BO4841, issued by Underwriters Indemnity Company ("Surety"). The principal is identified on the bond as "Tommy L. Willyard, Jr. dba RW Oil Company."

3. Division rule 19.15.4.201 NMAC requires an operator to plug and abandon or temporarily abandon a well in accordance with Division rules within 90 days after a period of one year of continuous inactivity.

4. The subject wells have been inactive for a continuous period exceeding one year plus 90 days, and have neither been plugged and abandoned pursuant to 19.15.4.202 NMAC nor temporarily abandoned pursuant to 19.15.4.203 NMAC.

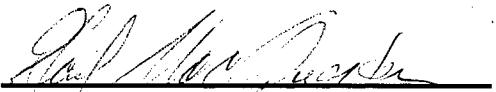
5. Division rule 19.15.101(M) NMAC authorizes the Director to order the operator to plug and abandon any well not in compliance with 19.15.4.201 NMAC by a date certain, and to direct the Division to forfeit the bond and cause such well to be plugged in accordance with a Division-approved plugging program if, after the time provided in such order, the operator has failed to plug the well.

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

- A. Determining that the subject wells are not in compliance with 19.15.4.201 NMAC;
- B. Requiring Tommy L. Willyard and Tommy L Willyard Jr. dba RW Oil Co. to bring the subject wells into compliance with 19.15.4.201 NMAC within a date certain by plugging and abandoning the wells in accordance with 19.15.4.202 NMAC, securing temporary abandonment status for the subject wells in accordance with 19.15.4.203 NMAC, or returning the subject wells to a Division-approved beneficial use; and

- C. Further, if the subject wells are not brought into compliance with 19.15.4.201 NMAC by the date set by the order:
- (1) Assessing a penalty of not less than \$1000 against Tommy L. Willyard and Tommy L Willyard Jr. dba RW Oil Co.;
 - (2) Authorizing the Division to plug the subject wells in accordance with a Division-approved plugging program; and
 - (3) Authorizing the Division to declare forfeit the applicable security; and
- D. For such other and further relief as the Director deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,
this 11th day of January 2005 by



Gail MacQuesten
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Energy, Minerals and Natural
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Conservation Division

Case No. 13412. Application of the New Mexico Oil Conservation Division for a Compliance Order Against Tommy L. Willyard and Tommy L. Willyard Jr. dba RW Oil Company. The Applicant seeks an order requiring Tommy L. Willyard and Tommy L. Willyard Jr. dba RW Oil Company to bring four wells into compliance with 19.15.4.201 NMAC by a date certain and, in the event of non-compliance, assessing a civil penalty, authorizing the Division to plug said wells and forfeit the applicable plugging security, and for such other relief as the Director deems appropriate. The affected wells are the Reno Federal #001, API 30-005-00548, UL L, Sec. 3, 15S, 31E; Reno Federal #002, API 30-005-10151, UL M, Sec. 3, 15S, 31E; Reno Federal #003, API 30-005-10152, UL K, Sec. 3, 15S, 31E; and Reno Federal #004, API 30-005-10153, UL N, Sec. 3, 15S, 31E. The wells are located approximately 20 miles west of Lovington, in Chaves County, New Mexico.