

**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
JIMMY ROBERSON ENERGY CORPORATION TO PROPERLY PLUG
SIXTEEN (16) WELLS, ASSESSING AN APPROPRIATE CIVIL PENALTY IN
EVENT OF OPERATOR'S FAILURE TO COMPLY, AUTHORIZING THE
DIVISION TO PLUG SAID WELLS AND ORDERING A FORFEITURE OF
APPLICABLE PLUGGING BOND; LEA AND ROOSEVELT COUNTIES, NEW
MEXICO.**

CASE NO. 12981

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. Jimmy Roberson Energy Corporation ("Operator") is the operator of the well or wells specifically identified on Exhibit A hereto (which Exhibit is incorporated herein by this reference for all purposes) located in Lea and Roosevelt Counties, New Mexico. The said well or wells are hereinafter called the "subject well(s)," whether one or more.

2. Operator has posted a blanket surety bond in the amount of \$50,000 to secure its obligation to properly plug and abandon all its wells in the State of New Mexico in compliance with NMSA 1978, Sec. 70-2-14 and O.C.D. Rule 101, which surety bond is 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 all wells operated by Operator. Underwriters Indemnity Company is the surety on said bond, and the number of the bond is B7121

3. The subject well(s) have not produced any hydrocarbon or carbon dioxide substance nor been used for injection for more than one year and are no longer usable for beneficial purposes. No permit for temporary abandonment has been requested by the Operator or approved by the Division with respect to any of the subject well(s).

4. By virtue of Operator's failure to use the subject well(s) for production or other beneficial purposes or to secure a current temporary abandonment permit, the subject well or wells are presumed abandoned, and are 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, and not temporarily abandoned pursuant to Rule 203, be properly plugged.

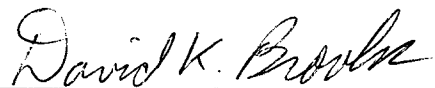
6. Division Rule 101.M, issued pursuant to the same authority, authorizes the Division, after notice and hearing, to order the operator to plug and abandon any well or wells not in compliance with Rule 201, and to direct the Division to cause such well or wells to be plugged in accordance with a Division approved plugging program if, after the time provided in such order, the operator and its surety, if any, have failed to do so.

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

- A. Determining whether the subject well(s) should be plugged and abandoned in accordance with a Division-approved plugging program.
- B. Upon a determination that the subject well(s) should be plugged, directing the Operator to plug the wells by a date certain.

- C. Assessing an appropriate civil penalty in event of the operator's failure to comply.
- D. Further ordering that if the Operator or Underwriters Indemnity Company, its surety, fails to plug and abandon the subject well(s) as ordered by the Director, the Division be authorized: (i) to plug the subject wells in accordance with a division-approved plugging program; (ii) to declare forfeit the security furnished by the Operator, 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 Operator any costs of plugging the subject well(s) in excess of the amount of the bond or other security, if any.
- E. For such other and further relief as the Division deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,



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Attorney for The New Mexico Oil
Conservation Division

Case No. _____

Exhibit A

Jimmy Roberson Energy Corporation

API No.	WELL NAME	ULSTR	NS FTG	EW FTG	WELL TVD TYPE	LAST PROD/ DPTH INJ
30-025-05442	RICE #001	H-13-18S-37E	2310N	330E	I	12-1992
30-025-05443	RICE #002	G-13-18S-37E	2310N	1650E	O	4141 06-1997
30-025-05444	RICE #003	A-13-18S-37E	990N	480E	O	4140 12-2001
30-025-07351	HARDIN B #001	2-18-18S-38E	1980N	621W	O	4128 02-1993
30-025-07352	HARDIN B #002	F-18-18S-38E	2310N	2230W	O	4130 03-1995
30-025-07353	HARDIN B #003	1-18-18S-38E	990N	660W	I	4170 12-1992
30-025-07354	HARDIN B #004	C-18-18S-38E	990N	1650W	O	4194 12-2001
30-025-09875	RICE #004	B-13-18S-37E	990N	1650E	I	4193 03-1994
30-025-11930	G D RIGGS B #007	H-01-26S-37E	1650N	330E	O	6100 11-1993
30-025-12414	C E PENNY FEDERAL NCT-4 #002	D-19-25S-38E	660N	330W	O	3362 11-2000
30-025-12415	C E PENNY FEDERAL NCT-4 #002	F-19-25S-38E	1980N	1650W	S	3415 NONE
30-025-12417	C E PENNY FEDERAL NCT-4 #002	D-19-25S-38E	990N	330W	O	7990 07-1986
30-025-20067	G D RIGGS A #003	C-01-26S-37E	330N	2310W	O	5500 06-2001
30-025-26828	G D RIGGS A #004	F-01-26S-37E	1650N	2290W	O	10666 04-2000
30-041-10021	HUTCHERSON #001	E-21-08S-34E	1980N	660W	O	4635 07-2001
30-041-20407	W V HUTCHERSON #001	F-21-08S-34E	1980N	1980W	O	9440 12-1997

Case No. 2981. Application of the New Mexico Oil Conservation Division for an Order Requiring Jimmy Roberson Energy Corporation to Properly Plug Sixteen (16) Well(s), Imposing Civil Penalties in Event of Failure to Comply, Authorizing the Division to Plug Said Well(s) in Default of Compliance by Operator, and Ordering a Forfeiture of Applicable Security, if Any, Lea and Roosevelt County, New Mexico. The Applicant seeks an order requiring Jimmy Roberson Energy Corporation, the operator of sixteen (16) inactive wells, fourteen (14) of which are located in Lea County, and two (2) of which are in Roosevelt County, New Mexico, to properly plug and abandon the same, imposing civil penalties in event of failure to comply, authorizing the Division to plug said well or wells if the operator fails to do so, forfeiting Operator's plugging security, if any, and providing for such other relief as the Director deems appropriate. The affected wells are the following:

API No.	WELL NAME	ULSTR	NS FTG	EW FTG
30-025-05442	RICE #001	H-13-18S-37E	2310N	330E
30-025-05443	RICE #002	G-13-18S-37E	2310N	1650E
30-025-05444	RICE #003	A-13-18S-37E	990N	480E
30-025-07351	HARDIN B #001	2-18-18S-38E	1980N	621W
30-025-07352	HARDIN B #002	F-18-18S-38E	2310N	2230W
30-025-07353	HARDIN B #003	1-18-18S-38E	990N	660W
30-025-07354	HARDIN B #004	C-18-18S-38E	990N	1650W
30-025-09875	RICE #004	B-13-18S-37E	990N	1650E
30-025-11930	G D RIGGS B #007	H-01-26S-37E	1650N	330E
30-025-12414	C E PENNY FEDERAL NCT-4 #003	D-19-25S-38E	660N	330W
30-025-12415	C E PENNY FEDERAL NCT-4 #002	F-19-25S-38E	1980N	1650W
30-025-12417	C E PENNY FEDERAL NCT-4 #005	D-19-25S-38E	990N	330W
30-025-20067	G D RIGGS A #003	C-01-26S-37E	330N	2310W
30-025-26828	G D RIGGS A #004	F-01-26S-37E	1650N	2290W
30-041-10021	HUTCHERSON #001	E-21-08S-34E	1980N	660W
30-041-20407	W V HUTCHERSON #001	F-21-08S-34E	1980N	1980W