

**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
ADVANCED EXPLORATION INC. TO BRING ONE WELL INTO
COMPLIANCE WITH 19.15.4.201 NMAC AND IN THE EVENT OF
NONCOMPLIANCE, ASSESSING AN APPROPRIATE CIVIL PENALTY,
AUTHORIZING THE DIVISION TO PLUG SAID WELL AND ORDERING A
FORFEITURE OF THE APPLICABLE PLUGGING BOND; LEA COUNTY,
NEW MEXICO.**

CASE NO. 2005 13413

APPLICATION FOR COMPLIANCE ORDER

1. The records of the Oil Conservation Division ("Division") identify Advanced Exploration Inc. as the operator of record ("Operator") under OGRD 36979 for the War Deck #001, API 30-025-30626, Unit Letter B, Section 33, Township 21S, Range 35E in Lea County, New Mexico (the "subject well").

2. The records of the Division indicate that the Operator's obligation to plug and abandon the subject well in compliance with the rules of the Division is secured with a \$5,000 single well cash bond and assignment of cash collateral deposit in account number 65280 in the First Interstate Bank of Lea County.

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 well have been inactive for a continuous period exceeding one year plus 90 days, and has 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 well is not in compliance with 19.15.4.201 NMAC;
- B. Requiring Advanced Exploration Inc. to bring the subject well into compliance with 19.15.4.201 NMAC within a date certain by plugging and abandoning the well in accordance with 19.15.4.202 NMAC, securing temporary abandonment status for the well in accordance with 19.15.4.203 NMAC, or returning the well to a Division-approved beneficial use; and
- C. Further, if the subject well is 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 Advanced Exploration Inc.;

- (2) Authorizing the Division to plug the subject well in accordance with a Division-approved plugging program;
- (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 12th day of January 2005 by



Gail MacQuesten
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Case No. 13413. Application of the New Mexico Oil Conservation Division for a Compliance Order Against Advanced Exploration Inc. The Applicant seeks an order requiring Advanced Exploration Inc. to bring one well 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 well and forfeit the applicable plugging security, and for such other relief as the Director deems appropriate. The affected well is the War Deck #001, API 30-025-30626, Unit Letter B, Section 33, Township 21S, Range 35E located approximately 10 miles west of Eunice in Lea County, New Mexico.