

**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 ECLIPSE OIL AND GAS, INC. TO PLUG AND ABANDON TEN WELLS IN ACCORDANCE WITH THE REQUIREMENTS OF 19.15.4.202 NMAC BY A DATE CERTAIN, AND AUTHORIZING THE DIVISION TO PLUG THE WELLS AND FORFEIT THE APPLICABLE SECURITY IN THE EVENT THE OPERATOR FAILS TO COMPLY; LEA COUNTY, NEW MEXICO.

CASE NO. 2005-456

2005 APR 1 AM 8 57

PRE-HEARING STATEMENT

This entry of appearance and pre-hearing statement is submitted by the applicant, the Oil Conservation Division.

APPEARANCES

APPLICANT

Oil Conservation Division

APPLICANT'S ATTORNEY

Gail MacQuesten
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505) 476-3451

OPPONENTS

Eclipse Oil and Gas, Inc.
Underwriters Indemnity Division of
RLI Insurance Company

OPPONENTS' ATTORNEY

No appearance has been entered
No appearance has been entered

APPLICANT'S STATEMENT OF THE CASE

Eclipse Oil and Gas, Inc. (Eclipse) is the operator of record for ten inactive wells located in Lea County, New Mexico. All ten of the wells have been inactive for a continuous period exceeding one year plus 90 days. One of the wells has neither been plugged and abandoned nor placed on temporary abandonment status. The other nine wells have not been plugged in accordance with Rule 202 because although the wellbores have been plugged for more than one year, the wells sites have not been cleaned, a final inspection conducted, and the appropriate reports filed.

The ten wells are in violation of 19.15.4.201 NMAC because they have been inactive for a period exceeding one year plus ninety days, and have neither been plugged and abandoned nor placed on temporary abandonment status in accordance with Division rules.

The Division filed this application pursuant to 19.15.3.101.M NMAC, seeking an order requiring Eclipse to plug and abandon each of the ten wells in accordance with 19.15.4.202 NMAC by a date certain, authorizing the Division to complete the plugging of the wells in the event of noncompliance, and authorizing the Division to forfeit the \$50,000 bond posted by Eclipse.

APPLICANT'S PROPOSED EVIDENCE

WITNESS:

ESTIMATED TIME:

Billy Prichard or Chris Williams, by telephone

15 min.

Dorothy Phillips

by affidavit

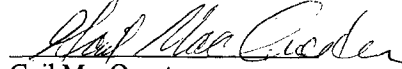
Jane Prouty

by affidavit

PROCEDURAL MATTERS

None.

Respectfully submitted,
This 15th day of April, 2005 by



Gail MacQuesten

Oil Conservation Division

Energy, Minerals and Natural

Resources Department

1220 S. St. Francis Drive

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Attorney for the Oil Conservation Division