

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

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**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR  
AN ORDER REQUIRING TEMPO ENERGY, INC. TO PLUG ONE WELL AND  
ORDERING A FORFEITURE OF APPLICABLE FINANCIAL ASSURANCE IN  
EVENT OF OPERAOR'S NON-COMPLIANCE; LEA COUNTY, NEW MEXICO.**

**CASE NO. 13711**

**SECOND AMENDED APPLICATION FOR PLUGGING  
AND FORFEITURE OF BOND**

1. Tempo Energy, Inc., Peterson Petroleum Company and/or Joe D. Peterson ("Operator") is the operator of the following well (the subject well) in Lea County, New Mexico:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
San Simon State #6	30-025-29839	2310 FNL/990 FEL H-4-22S-35E

2. Tempo Energy, Inc., the designated operator according to Division files, has posted the following applicable financial assurance:

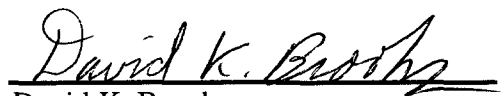
\$50,000 blanket surety bond number 980F9988, issued by The Traverlers Indemnity Company.

3. The subject well has been inactive for more than one year plus ninety days, and has not been approved for temporary abandonment. This well is accordingly in violation of Division Rule 201.

WHEREFORE, the Supervisor of District I of the Division requests an order:

- A. Determining that the subject well should be plugged and abandoned in accordance with a Division-approved plugging program.
- B. Determining which one or more of the named respondents is responsible for the plugging of this well.
- C. Directing the party or parties that the Director determines to be responsible to plug the subject well by a date certain, and thereafter to remediate the site in accordance with OCD Rules.
- D. Ordering that if the Operator does not plug the subject well within the time provided, the Division be authorized: (i) to plug the subject well and remediate the site; (ii) to declare forfeit any applicable financial assurance; and (iii) to take necessary and appropriate measures to recover from the Operator any costs of plugging the subject well in excess of the amount of the applicable financial assurance.

RESPECTFULLY SUBMITTED,



David K. Brooks  
Assistant General Counsel  
Energy, Minerals and Natural  
Resources Department of the State of  
New Mexico  
1220 S. St. Francis Drive  
Santa Fe, NM 87505  
(505)-476-3450

Attorney for The New Mexico Oil  
Conservation Division



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

August 25, 2006`

Tempo Energy, Inc.  
4000 N. Big Spring  
Suite 109  
Midland, TX 79705

Peterson Petroleum Company  
P.O. Box 5509  
Hobbs, NM 88241

Joe D. Peterson  
15 Fairmont Ct  
Hobbs, NM 88240

Joe D. Peterson  
718 Mesa Dr E  
Hobbs, NM 88240

Joe D. Peterson  
1531 Breckton Dr N #5376  
Hobbs, NM 88240

The Travelers Indemnity Co.  
One Tower Square  
Hartford, CT 06183

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

**Re: Case No. 13711: Application of the New Mexico Oil Conservation Division for an Order  
Tempo Energy, Inc. to Plug One Well and Ordering Forfeiture of Applicable Financial  
Assurance in Event of Operator's Non-Compliance; Lea County, New Mexico**

Ladies and Gentlemen:

You are hereby notified that the New Mexico Oil Conservation Division has filed the referenced Application (copy enclosed), seeking an Order requiring you to properly plug and abandon one well in Lea County, New Mexico, identified in said application.

A hearing on this application will take place before a Division hearing examiner on Thursday, October 12, 2006, at 8:15 a.m., in Porter Hall, First Floor, 1220 South St. Francis Drive in Santa Fe, New Mexico. At that hearing you will have an opportunity to show cause why an order should not be entered as requested in the Application. If you intend to present evidence in opposition to this application, you must file a pre-hearing statement, as described in Division Rule 1211.B with Division Clerk, Florene Davidson, at Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, before 5:00 P.M., Mountain Time on Thursday, October 5, 2006.

Tempo posted a surety bond, in the amount of \$50,000, number 980F9988, issued by The Travelers Indemnity Company. That security will be forfeited if an order is entered as requested and Tempo fails to comply therewith.

Inquiries concerning this application may be directed to the undersigned in the Santa Fe office of the Division at (505)-476-3450.

Very truly yours,



David K. Brooks  
Assistant General Counsel

cc: Ann M. Conway [AConway@mstLAW.com]  
Gary Wink, OCD Hobbs