

**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 III FOR AN ORDER REQUIRING
A. P. A. DEVELOPMENT, INC. TO PROPERLY PLUG TWENTY WELLS IN SAN
JUAN COUNTY, NEW MEXICO, AUTHORIZING THE DIVISION TO PLUG SAID
WELLS, AND ORDERING A FORFEITURE OF THE PLUGGING BOND, IF ANY.**

CASE NO. 12494

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. A. P. A. Development, Inc. ("Operator") is the operator of the following wells in San Juan County, New Mexico:
- a) Navajo "M" Well No. 1 located 330' from the South line and 330' from the West line in Unit M of Section 33, Township 32 North, Range 17 West;
 - b) Navajo "M" Well No. 2 located 1980' from the South line and 1989' from the West line in Unit K of Section 33, Township 32 North, Range 17 West;
 - c) Navajo "M" Well No. 8 located 1980' from the North line and 775' from the East line in Unit H of Section 34, Township 32 North, Range 17 West;
 - d) Navajo "M" Well No. 9 located 660' from the North line and 660' from the East line in Unit A of Section 34, Township 32 North, Range 17 West;
 - e) Navajo "M" Well No. 10 located 2130' from the South line and 510' from the East line in Unit I of Section 34, Township 32 North, Range 17 West;
 - f) Navajo "M" Well No. 11 located 1720' from the North line and 1750' from the East line in Unit G of Section 34, Township 32 North, Range 17 West;

- g) Navajo "P" Well No. 1 located 1950' from the North line and 610' from the West line in Unit E of Section 35, Township 32 North, Range 17 West'
- h) Navajo "P" Well No. 2 located 1920' from the South line and 1810' from the West line in Unit K of Section 35, Township 32 North, Range 17 West;
- i) Navajo "P" Well No. 3 located 580' from the South line and 2215' from the East line in Unit O of Section 35, Township 32 North, Range 17 West;
- j) Navajo "P" Well No. 4 located 1980' from the South line and 660' from the West line in Unit L of Section 35, Township 32 North, Range 17 West;
- k) Navajo "P" Well No. 5 located 660' from the South line and 1980' from the West line in Unit N of Section 35, Township 32 North, Range 17 West;
- l) Navajo "P" Well No. 6 located 660' from the South line and 660' from the East line in Unit P of Section 35, Township 32 North, Range 17 West;
- m) Navajo "P" Well No. 7 located 1980' from the South line and 1980' from the East line in Unit J of Section 35, Township 32 North, Range 17 West;
- n) Navajo "P" Well No. 8 located 660' from the South line and 660' from the West line in Unit M of Section 35, Township 32 North, Range 17 West;
- o) Navajo "P" Well No. 9 located 1980' from the North line and 1980' from the West line in Unit F of Section 35, Township 32 North, Range 17 West;
- p) Navajo "P" Well No. 10 located 1980' from the South line and 660' from the West line in Unit L of Section 26, Township 32 North, Range 17 West;
- q) Navajo "P" Well No. 11 located 810' from the North line and 510' from the West line in Unit D of Section 35, Township 32 North, Range 17 West;

- r) Navajo "P" Well No. 12 located 1830' from the South line and 810' from the East line in Unit I of Section 35, Township 32 North, Range 17 West;
- s) Navajo "P" Well No. 14 located 650' from the North line and 640' from the West line in Unit D of Section 35, Township 32 North, Range 17 West; and
- t) Navajo "P" Well No 19 located 1450' from the South line and 1980' from the West line in Unit K of Section 26, Township 32 North, Range 17 West.

2. The subject wells have not produced hydrocarbon or carbon dioxide substance or have otherwise been inactive for more than one year or are no longer usable for beneficial purposes and no permit for temporary abandonment has been requested by the Operator or approved by the Division.

3. By virtue of the failure to use the wells for beneficial purposes or to have approved a current temporary abandonment permits, the wells are presumed to have been abandoned and are required to be plugged.

4. By authority of NMSA 1978, § 70-2-14 the Rules of the Division require wells that are inactive for more than one year or are no longer usable for beneficial purposes to be properly plugged.

5. Demand has been made or attempted to be made upon the Operator either to place the subject wells to beneficial use, obtain approval for temporary abandonment or properly plug and abandon the same, and the Operator has failed to do so.

WHEREFORE, the Supervisor of District III of the Oil Conservation Division applies to the Director to enter an order:

A. Determining whether the wells should be plugged in accordance with a Division-approved plugging program.

B. Upon a determination that the wells should be plugged, directing Operator to plug the wells.

C. Further ordering that if Operator fails to plug and abandon the wells as ordered by the Director, that the Division be authorized: i. to plug the wells; ii. to declare forfeit on the bond, if any, and to take such action to foreclose on the bond; and iii. to recover from the Operator any costs of plugging the wells in excess of the amount of the bond, if any.

D. For such other and further relief as the Division deems just and proper, including the assessment of fines.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "Marilyn S. Hebert", is written over the typed name.

Marilyn S. Hebert, Attorney
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505
(505) 827-8156