

APPLICATION FOR PLUGGING

1. Rhonda operating Co.,  
 (hereinafter called "operator") is the operator of the  
State 29 # 2 located  
1977/N + 670/E Sec. 29, T 8 S, R 33 E,  
Chaves County, New Mexico.

2. Rhonda operating Co., as operator,  
 has posted a (one well) (blanket) (cash) (surety) bond in  
 the amount of \_\_\_\_\_ in compliance with Section  
 70-2-14 N.M.S.A. 1978 and Rule 101 of the Rules and  
 Regulations of the Oil Conservation Division, which bond is  
 conditioned upon compliance with the Statutes of the State  
 of New Mexico and the Rules and Regulations of the Division  
 with respect to the proper plugging and abandonment of the  
 well(s) operated by said operator.

(Alt. 1) 3. \_\_\_\_\_ is surety on  
 said bond.

(Alt. 2) 3. \_\_\_\_\_ is holding savings  
 account No. \_\_\_\_\_.

(Alt. 3) 3. Operator has deposited with \_\_\_\_\_

\_\_\_\_\_ the sum of \$ \_\_\_\_\_ in Certificate of Deposit or savings account No. \_\_\_\_\_ and has assigned said account to the Oil Conservation Division as security for said bond.

(Alt. 1) 4. The State 29 #2 \_\_\_\_\_ has not produced hydrocarbon substance for more than six months, and no permit for temporary abandonment has been requested by the operator or approved by the Division. *(last prod. 10-85)*

(Alt. 2) 4. Operator has previously obtained an approved permit for temporary abandonment of said well, but said permit and any extensions thereof has expired more than six months prior to the filing of this application and the \_\_\_\_\_ well has not produced hydrocarbons since the expiration of said permit.

5. By virtue of the failure to obtain production or to have an approved current temporary abandonment permit, the \_\_\_\_\_ well is presumed to have been abandoned.

6. By authority of Section 70-2-12 N.M.S.A. 1978, the Rules and Regulations of the Division require wells no longer productive or capable of production to be properly plugged.

7. Demand has been made upon the operator to either place said well to beneficial use or properly plug and abandon the same and the Operator has failed to do so.

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

1. Determining whether or not the State 29 # 2 well should be plugged in accordance with a Division-approved plugging program;

2. Upon determination that said well should be plugged directing Rhonda Operating Co. as Operator (and \_\_\_\_\_ as surety) to plug said \_\_\_\_\_ well within 45 days of the date of the Director's order.

3. Further ordering that if operator (or surety) fail to plug and abandon said well as ordered by the Director, that the Division be authorized to plug said well and to forfeit said bond, and further authorizing the Division to recover from the Operator any costs of plugging in excess of the amount of the bond.