

OIL CONSERVATION DIV.
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**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 II FOR AN ORDER REQUIRING
D. W. BERRY TO PROPERLY PLUG ONE WELL IN EDDY COUNTY AND ONE
WELL IN CHAVES COUNTY, NEW MEXICO, AUTHORIZING THE DIVISION TO
PLUG SAID WELLS, AND ORDERING A FORFEITURE OF THE PLUGGING BOND,
IF ANY.**

CASE NO. 12458

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. D. W. Berry ("Operator") is the operator of the following three wells:
 - a. Quail State No. 1 located 990' FSL and 1650' FWL in Unit N, Section 8,
Township 17 South, Range 28 East in Eddy County, New Mexico;
 - b. State A No. 1 located 1980' FSL and 1980' FWL in Unit K, Section 2,
Township 15 South, Range 29 East in Chaves County, New Mexico;
2. The subject wells have not produced hydrocarbon or carbon dioxide substance or has 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 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 II of the Oil Conservation Division applies to the Director to enter an order:

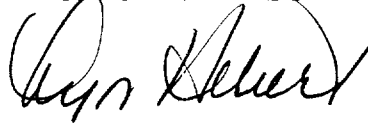
A. Determining whether the wells should be plugged in accordance with a Division-approved plugging program.

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,



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