

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 14129
ORDER NO. R- 13069**

**APPLICATION OF THE NEW MEXICO OIL
CONSERVATION DIVISION FOR A
COMPLIANCE ORDER AGAINST GENERAL
OPERATING COMPANY, GENE A. SNOW
AND/OR SNOW OIL & GAS, INC., EDDY
COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 16, 2008, at Santa Fe, New Mexico, before Examiners David K. Brooks, Richard Ezeanyim and Terry Warnell.

NOW, on this 29th day of December, 2008, the Division Director, having considered the testimony, the record and the recommendations of the Examiners,

FINDS THAT:

- (1) Due notice has been given, and the Division has jurisdiction of the subject matter of this case.
- (2) The Division filed this application as a compliance proceeding to secure proper plugging and abandonment of the Kleeman Well No. 1 (API No. 30-015-00250), located 990 feet from the South line and 330 feet from the East line (Unit P) of Section 27, Township 18 South, Range 26 East, in Eddy County, New Mexico ("the Well").
- (3) The Division named as parties to this case Gene A. Snow, General Operating Company, and Snow Oil & Gas, Inc.
- (4) At the hearing, the Division appeared through counsel and presented evidence entirely from Division records, as follows:

- (a) The Well has not produced any hydrocarbons for more than 30 years. It has not, however, been plugged, nor has it been placed in approved temporary abandonment status in accordance with Division rules.
 - (b) The last person to assume operation of the Well, according to documents in the Division well file, was Gene A. Snow, who assumed operation of the well in 1976.
 - (c) The Division's computer system shows General Operating Company as operator of the Well. There is, however, no document in the Division's well file whereby General Operating Company assumed operation of the Well or filed any record identifying itself as operator of the Well.
 - (d) The Division has no evidence that Snow Oil & Gas, Inc. ever assumed responsibility for the Well or actually operated the Well.
 - (e) Neither Gene A. Snow, nor General Operating Company, has any well-plugging financial assurance on file with the Division.
- (5) Snow Oil & Gas, Inc. appeared through counsel and presented evidence as follows:
- (a) Gene A. Snow died in 1977.
 - (b) Snow Oil & Gas, Inc. is a corporation that was organized after the death of Gene A. Snow by some of Mr. Snow's heirs.
 - (c) Snow Oil & Gas, Inc. has never operated the Well and disclaims any interest in the Well.

The Division Director concludes as follows:

- (6) Since Gene A. Snow is the only person shown by the evidence to be an operator of the Well, and Mr. Snow is deceased and has no financial assurance on file with the Division, there is no person the Division can order to plug this well.
- (7) The Well is an abandoned Well, and the Division should be authorized to plug the Well as pursuant to the authority conferred on the Division in the first sentence of NMSA 1978, Section 70-2-38.

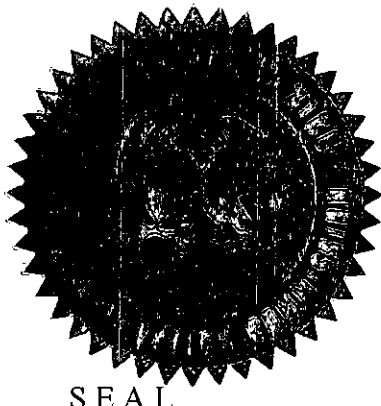
IT IS THEREFORE ORDERED THAT:

(1) The Division is authorized to properly plug and abandon the Kleeman Well No. 1 (API No. 30-015-00250), and remediate the site thereof, in accordance with NMSA 1978, Section 70-2-38 and Division rules.

(2) All other relief sought in this application is denied.

(3) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, reading "Mark E. Fesmire".

MARK E. FESMIRE, P.E.
Director