

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR

December 13, 1994

2040 S. PACHECO SANTA FE, NEW MEXICO 87505 (505) 827-7131

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. W.J. Conover Rt. 2 Box 10 Maysville, OK 73057

Re: W.J. Conover J.M. Lewelling Well No.1 Unit D, Sec. 12, 12S, 9E, Otero Co., New Mexico

Dear Mr. Conover:

Enclosed is a copy of a July 6, 1994, letter to you from Jim Morrow, Acting Supervisor for New Mexico Oil Conservation Division District II, requesting that you inform the OCD by August 1, 1994, of your plans to plug the above-referenced well.

The OCD has not received such plans as of the above date and is therefore by this letter informing you of its intent to hold a "show cause" hearing directing you to show cause why an order should not be entered determining that the well should be plugged, directing the plugging bond you posted to be forfeited, and directing you to plug the well. If you do not plug the well and the OCD is required to do so, the OCD will seek to recover any monies expended in plugging the well from you through all available legal means.

If we do not hear from you by January 13, 1995, we will set this matter for the abovedescribed show cause hearing.

Sincerely and Carroll

Legal Counsel New Mexico Oil Conservation Division

cc: Tim Gum, Supervisor, OCD District II Ray Smith, Oil & Gas Inspector



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

BRUCE KING

OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

P.O. DRAWER DD ARTESIA, NEW MEXICO 88211 (505) 748-1283

July 6, 1994

Mr. W.J. Conover Rt. 2 Box 10 Maysville, Okla 73057

Re: W.J. Conover J.M. Lewelling Well No.1 Ut. D, Section 12, Township 12S Otero Co., New Mexico

Dear Mr. Conover:

Our records show that your J.M. Lewelling Well No.1 was drilled in 1974 and has never produced. The well is therefore not in compliance with OCD rules requiring that wells be produced, plugged, or placed in temporary abandonment status. Copies of OCD General Rules Nos. 201, 202, and 203 are attached for your convenience.

We will appreciate your cooperation in bringing this well into compliance. Please let us hear from you by August 1, 1994.

Yours Truly,

Acting Supervisor, Dist. II JM/sp

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 THE J.M. LEWELLING WELL NO. 1 LOCATED 660 FEET FROM THE NORTH LINE AND 660 FEET FROM THE WEST LINE, UNIT D, SEC. 12, TOWNSHIP 12 SOUTH, RANGE 9 EAST, OTERO COUNTY, NEW MEXICO, TO BE PROPERLY PLUGGED, AUTHORIZING THE DIVISION TO PLUG SAID WELL AND ORDERING A FORFEITURE OF THE PLUGGING BOND, IF ANY.

CASE NO.

APPLICATION FOR PLUGGING

1. W. J. Conover, (hereinafter called "Operator") is the operator of the J.M. Lewelling Well No. 1, located 660 feet from the North line and 660 feet from the West line, Unit D, section 12, Township 12 South, Range 9 East, NMPM, Otero County, New Mexico.

2. W. J. Conover, as Operator, has posted a one-well plugging bond in the amount of \$10,000 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 land Regulations of the Division with respect to the proper plugging and abandonment of the well operated by said Operator.

3. The subject well has not produced hydrocarbon substance or has otherwise been inactive for more than one year or is no longer usable for beneficial purposes and no permit for temporary abandonment has been requested by the Operator and approved by the Division.

4. By virtue of the failure to use the well for beneficial purposes or to have an approved current temporary abandonment permit, the subject well is presumed to have been abandoned and is required to be plugged.

5. By authority of Section 70-2-12 N.M.S.A. 1978, the Rules and Regulations of the Division require wells which are inactive for more than one year or are no longer usable for beneficial purposes to be properly plugged.

6. Demand has been made upon the Operator to either place the subject well 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:

1. Determining whether or not the J.M. Lewelling #1 well should be plugged in accordance with a Division-approved plugging program:

2. Upon determination that said well should be plugged directing W. J. Conover as Operator to plug said well.

3. Further ordering that if operator fails to plug and abandon said well as ordered by

2

the Director, that the Division be authorized:

- a. to plug said well;
- b. to declare forfeit on said bond and to take such action to foreclose on said bond; and
- c. to recover from the Operator any costs of plugging in excess of the amount of the bond.
- 4. For such other and further relief as the Division seems just and proper.

RESPECTFULLY SUBMITTED,

RAND CARROLL Legal Counsel New Mexico Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87505 (505) 827-8156