



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 7627
Order No. R-7052

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT SANDI PRODUCTION, INC., UNITED STATES FIDELITY AND GUARANTY COMPANY AND OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE EL POZO WELL NO. 1 LOCATED IN UNIT L, SECTION 26, AND THE POUND RANCH C WELL NO. 14 LOCATED IN UNIT C, SECTION 14, BOTH IN TOWNSHIP 28 NORTH, RANGE 1 EAST, RIO ARRIBA COUNTY, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 4, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of August, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That Sandi Production, Inc. is the owner and operator of the El Pozo Well No. 1, located in Unit L of Section 26, and the Pound Ranch C Well No. 14 located in Unit C, Section 14, both in Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.

(3) That United States Fidelity and Guaranty Company is the surety on the Oil Conservation Division plugging bond on which Sandi Production, Inc. is principal and which bond applies to said El Pozo Well No. 1.

(4) That the purpose of said bond is to assure the state that the covered well will be properly plugged and abandoned when not capable of commercial production.

(5) That in order to prevent waste and protect correlative rights said wells should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Division on or before October 1, 1982, or the wells should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Sandi Production, Inc. and United States Fidelity and Guaranty Company are hereby ordered to plug and abandon the El Pozo Well No. 1, located in Unit L of Section 26, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.

(2) That Sandi Production, Inc. is hereby ordered to plug and abandon the Pound Ranch C Well No. 14 located in Unit C of Section 14, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.

(3) That in the alternative either or both of said wells may be returned to approved active drilling status or be placed on production.

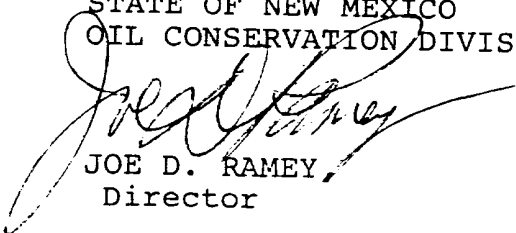
(4) That said wells shall be plugged and abandoned, returned to drilling, or placed on production on or before October 1, 1982.

(5) That Sandi Production, Inc. and/or United States Fidelity and Guaranty Company, prior to plugging and abandoning the above-described wells, shall obtain from the Aztec office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Aztec office of the date and hour said work is to be commenced whereupon the Division may, at its option, witness such work.

(6) That jurisdiction of this cause 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


JOE D. RAMEY
Director

S E A L