

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. 10335
ORDER NO. R-9626

APPLICATION OF UNITED STATES DEPARTMENT
OF THE INTERIOR, BUREAU OF LAND MANAGEMENT TO
PLUG AND ABANDON A CERTAIN WELL IN SAN JUAN
COUNTY, NEW MEXICO

RECEIVED

JAN 28 1992

OIL CON. DIV.
DIST. 3

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 25, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 17th day of January, 1992 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) The applicant in this matter, the United States Department of the Interior, Bureau of Land Management (BLM), seeks to properly plug and abandon, pursuant to the provisions of Section 70-2-38, N.M.S.A. 1978, the Paramount Petroleum Corporation, Central Totah Unit Well No. 1 located on a federal tract of land 820 feet from the South line and 675 feet from the West line (Unit M) of Section 21, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) *BLM witnesses in this case testified that National Surety Corporation, who is on record with the United States Department of Interior as being the surety on the BLM's federal plugging bond covering only public lands in the State of New Mexico on which Paramount Petroleum Corporation is principal, has no knowledge of the plugging bond in question and apparently is not the company in which the surety is carried. The witness also testified that the bond apparently is a forgery.*

Finding: There is not a valid bond to pay the cost of plugging this well.

(4) The current condition of the subject well is such that waste may occur, fresh water may be contaminated, and correlative rights may be violated if action is not taken to properly plug and abandon the well.

(5) In order to prevent waste, protect correlative rights and prevent any fresh water contamination, Paramount Petroleum Corporation should be directed to plug and abandon the subject well by March 30, 1992 in accordance with a program approved by the Supervisor of the Division's Aztec District Office.

(6) Should Paramount Petroleum Corporation fail to properly plug and abandon the subject well in accordance with the terms of this order, the Division should then take such action as is deemed necessary to have the well properly plugged.

IT IS THEREFORE ORDERED THAT:

(1) Paramount Petroleum Corporation is hereby ordered to plug and abandon the Central Totah Unit Well No. 1 located on a federal tract of land 820 feet from the South line and 675 feet from the West line (Unit M) of Section 21, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, on or before March 30, 1992.

(2) Paramount Petroleum Corporation, prior to plugging the subject well, shall obtain from the supervisor of the Division's Aztec District Office a Division-approved program for said plugging and abandonment, and shall notify said Aztec office of the date and time said work is to be commenced whereupon the Division may, at its option, witness such work.

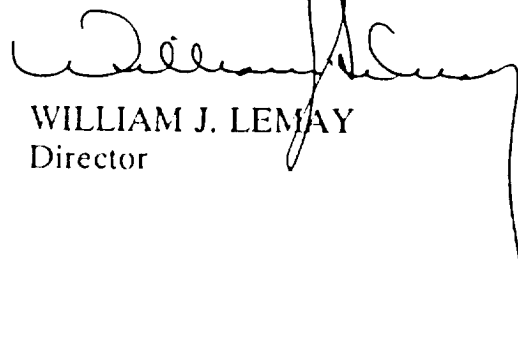
(3) Should Paramount Petroleum Corporation fail to properly plug and abandon the subject well in accordance with the terms of this **order**, the Division shall then take such action as is deemed necessary to have the well **properly** plugged.

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(4) 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



WILLIAM J. LEMAY
Director

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