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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 7539
Order No. R-6954

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT B.M.N.S. COMPANY, AMERICAN EMPLOYERS INSURANCE AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE FOLLOWING WELLS: WAGGONER NO. 1, BROWN NO. 2, WYPER NO. 2, LOCATED IN UNITS K, M, AND O, RESPECTIVELY, OF SECTION 29, TOWNSHIP 30 NORTH, RANGE 12 WEST, SAN JUAN 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 April 14, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of April, 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 B.M.N.S. Company is the owner and operator of the Waggoner No. 1, Brown No. 2 and Wyper No. 2, located in Units K, M, and O, respectively, of Section 29, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.
- (3) That American Employers Insurance is the surety on the Oil Conservation Division plugging bond on which B.M.N.S. is principal.
- (4) That the purpose of said bond is to assure the state that the subject wells 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 July 1, 1982, or the well should be returned to active drilling status or placed on production.



IT IS THEREFORE ORDERED:

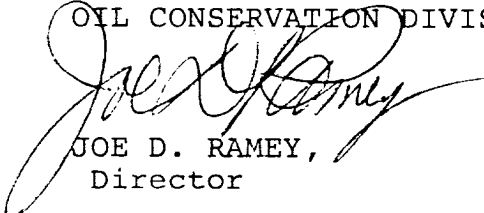
(1) That B.M.N.S. Company and American Employers Insurance are hereby ordered to plug and abandon the Waggoner No. 1, Brown No. 2, and Wyper No. 2, located in Units K, M, and O, respectively, of Section 29, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico, or in the alternative, to return any or all of said wells to active drilling status or to production on or before July 1, 1982.

(2) That B.M.N.S. Company and American Employers Insurance, prior to plugging and abandoning any of 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.

(3) 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

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