

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

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

(7) In order to prevent waste, protect correlative rights and prevent any fresh water contamination said Quinlan Ranch Well No. 1 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 March 31, 1987 or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED THAT:

(1) Texas Rose Petroleum, Inc. and Travelers Indemnity Company are hereby ordered to plug and abandon the Quinlan Ranch Well No. 1, located at a point approximately 9040 feet in the direction South 44 Degrees 25 Minutes 05 Seconds East from Mile Corner No. 202 plus 5.10 feet on the boundary line of Colorado and New Mexico (the NW/4 NE/4 [Unit B] of projected Section 29, Township 32 North, Range 3 East, NMPM) Tierra Amarilla Land Grant, Rio Arriba County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before March 31, 1987.

(2) Texas Rose Petroleum, Inc. and Travelers Indemnity Company, prior to plugging and abandoning the above-described well, 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) Should either party fail or refuse to properly plug and abandon the subject well in accordance with the terms of this order, the Division shall then take such actions as are deemed necessary to have the well properly plugged.

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