

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 9074 (REOPENED)
ORDER NO. R-8404-A

IN THE MATTER OF CASE 9074 BEING
REOPENED UPON THE APPLICATION OF
SUNTEX ENERGY CORPORATION TO
VACATE OR MODIFY DIVISION ORDER
NO. R-8404 ENTERED IN SAID CASE
9074, RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 9, 1987, at Santa Fe, New Mexico before Examiner Michael E. Stogner.

NOW, on this 9th day of December, 1987, 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) At the time of the hearing this case was consolidated with Reopened Cases Nos. 8863 and 8864 for the purpose of testimony.

(3) By Order No. R-8404, issued in Case No. 9074 and dated February 26, 1987, the Division ordered Texas Rose Petroleum, Inc., as the owner and operator, and The Travelers Indemnity Company, as the surety on the plugging bonds, to either plug and abandon or recomplete as producers the following described wells by March 31, 1987:

Well No. 1 located 1824 feet from the South line and 1778 feet from the East line (Unit J) of Section 14;

Well No. 2 located 618 feet from the South line and 2418 feet from the West line (Unit N) of Section 14;

Well No. 3 located 967 feet from the South line and 2148 feet from the West line (Unit N) of Section 11;

Well No. 7 located 990 feet from the South line and 2310 feet from the East line (Unit O) of Section 14; and,

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Well No. 8 located 2310 feet from the South and West lines
(Unit K) of Section 14;

all on the El Poso Ranch Lease in Township 28 North, Range 1
East, NMPM, Rio Arriba County, New Mexico, as projected into
the unsurveyed Tierra Amarilla Land Grant.

(4) Subsequent to the original hearing date in this case
(February 18, 1987) and prior to March 31, 1987 no effort by
the operator to either recomplete or complete the subject wells
as producers was made, therefore, pursuant to the provisions of
said Order No. R-8404 it became necessary for the Division's
Aztec District Office to take the necessary steps to properly
plug and abandon the subject wells.

(5) At this time the applicant, Suntex Energy
Corporation, seeks to either vacate or modify said Order No.
R-8404 so that it may be allowed to either complete or
recomplete the subject wells as producers.

(6) At the hearing the applicant failed to present
adequate testimony or evidence to show that it presently has
sufficient capital to operate the subject wells.

(7) The applicant also failed to present sufficient
evidence to support a finding that the subject wells could be
operated in a prudent manner.

(8) Further delay in plugging the subject wells could
increase the risk of waste occurring, correlative rights being
violated, or the contamination of fresh waters.

(9) This application should therefore be denied and
Division Order No. R-8404 should remain in full force and
effect.

IT IS THEREFORE ORDERED THAT:

(1) The application of Suntex Energy Corporation to
vacate or modify Division Order No. R-8404, dated February 26,
1987, so that they may be allowed to either complete or
recomplete the following described wells as producers:

Well No. 1 located 1824 feet from the South line and 1778
feet from the East line (Unit J) of Section 14;

Well No. 2 located 618 feet from the South line and 2418
feet from the West line (Unit N) of Section 14;

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Well No. 3 located 967 feet from the South line and 2148 feet from the West line (Unit N) of Section 11;

Well No. 7 located 990 feet from the South line and 2310 feet from the East line (Unit O) of Section 14; and,

Well No. 8 located 2310 feet from the South and West lines (Unit K) of Section 14;


all on the El Poso Ranch Lease in Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico, as projected into the unsurveyed Tierra Amarilla Land Grant, is hereby denied.

(2) Said Order No. R-8404 shall remain in full force and effect.

(3) 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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