

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. 10334
ORDER NO. R-9627*

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

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 A.D. Raby or James T. Raby, Keys Well No. 1 located on a federal tract of land 990 feet from the North line and 330 feet from the West line (Unit D) of Section 33, Township 6 South, Range 26 East, NMPM, Chaves County, New Mexico.
- (3) Federal and state records and testimony presented by the BLM witness show that the subject well was drilled in June 1964 to a total depth of 1014 feet by Dr. Sam G. Dunn of Lubbock, Texas under Federal Lease Number NM-022685-A, which expired in November, 1966. Said well is currently listed as being shut-in.

(4) Said well records further indicate the following chain of operator changes:

- February 16, 1968: Dr. Sam G. Dunn to Sam G. Dunn Oil Operations of Lubbock, Texas (*Oil Conservation Division Memorandum*);
- August 10, 1971: Sam G. Dunn Oil Operations to Paul Slayton of Roswell, New Mexico (*Oil Conservation Commission Form C-104 approved by the Artesia District Office on August 13, 1971*);
- Reference is made of a C-104 in correspondence letters dated November 7 and 28, 1973 from the Supervisor of the Artesia District Office of the Division to H.E. Prine of Roswell, New Mexico of a change of ownership to H.E. Prine;
- April 25, 1974: H.E. Prine to A.D. Raby or James T. Raby of Roswell, New Mexico (*Oil Conservation Commission Form C-104 approved by the Artesia District Office on April 30, 1974*).

(5) *The BLM's witness testified however that Dr. Sam G. Dunn was the only operator or lessee of record, and that Dr. Dunn died sometime in the 1960's (exact date unknown), and the bond covering the subject well issued to Dr. Dunn was terminated -- the exact date is unknown.*

FINDING: At this time there does not appear to exist a valid bond to pay the cost of plugging the aforementioned well.

(6) 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.

(7) In order to prevent waste, protect correlative rights and prevent any fresh water contamination, the subject well should be plugged and abandoned as soon as is reasonably possible and in accordance with a program approved jointly by the supervisors of the Division's Artesia District Office and the BLM's Roswell Resource Area Office.

IT IS THEREFORE ORDERED THAT:

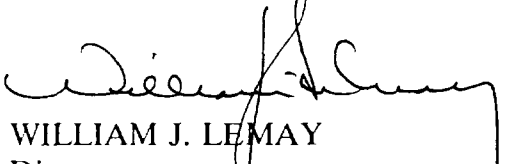
(1) The Division shall take such action as is deemed necessary to have the A.D. Raby or James T. Raby, Keys Well No. 1 located on a federal tract of land 990 feet from the North line and 330 feet from the West line (Unit D) of Section 33, Township 6 South, Range 26 East, NMPM, Chaves County, New Mexico, properly plugged and abandoned, in accordance with a program approved jointly by the supervisors of the Division's Artesia District Office and the BLM's Roswell Resource Area Office, as soon as is reasonably possible.

(2) 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