

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 9074
Order No. R-8404

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION ON ITS
OWN MOTION TO PERMIT TEXAS ROSE PETROLEUM,
INC., THE TRAVELERS INDEMNITY COMPANY AND
ALL OTHER INTERESTED PARTIES TO APPEAR AND
SHOW CAUSE WHY FIVE CERTAIN WELLS ON THE EL
POSO RANCH LEASE IN RIO ARRIBA COUNTY, NEW
MEXICO, 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 8:15 a.m. on February 18, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 26th day of February, 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 Division Cases Nos. 9074 and 9075 were consolidated for purposes of testimony.

(3) Texas Rose Petroleum, Inc. is the owner and operator of the following five wells, 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:

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,

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

(4) The Travelers Indemnity Company is the surety on the Oil Conservation Division blanket plugging bond on which Texas Rose Petroleum, Inc. is principal.

(5) The purpose of said bond is to assure the state that the subject wells will be properly plugged and abandoned when they are no longer capable of commercial production.

(6) In order to prevent waste, to protect correlative rights, and to protect fresh waters the above-described 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 March 31, 1987, or the wells 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 following five wells on or before 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,

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.

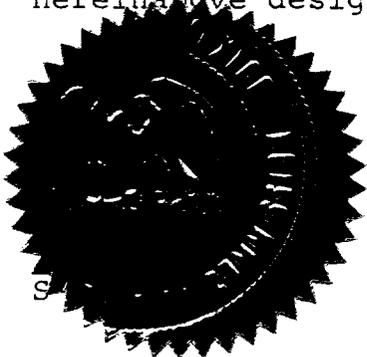
(2) Texas Rose Petroleum, Inc. and Travelers Indemnity Company, prior to plugging and abandoning the above-described wells, shall obtain from the Aztec office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Aztec office of the date and hour said work is to be commenced whereupon the Division may, at its option, witness such work.

(3) IN THE ALTERNATIVE, the Supervisor of the Division's district office at Aztec may permit any of said wells to be completed or recompleted as a producer provided that an acceptable plan for such work is filed with such office prior to March 31, 1987, provided that such work shall be completed within 180 days following entry of this order.

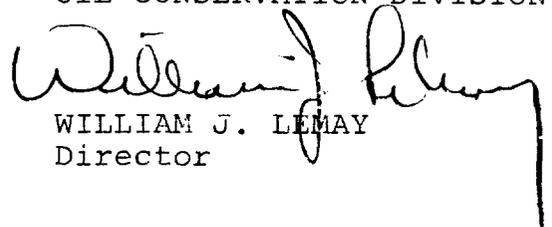
(4) Should either party fail or refuse to carry out such provisions in accordance with the terms of this order, the Division shall then take such actions as are deemed necessary to have the wells properly plugged.

(5) 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

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,

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 recomplate 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 recomplate 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 recomplate 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;

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,

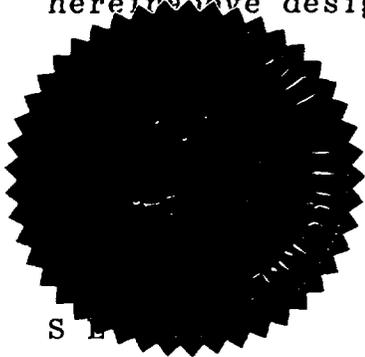
Well No. 8 located 2310 feet from the South and West lines (Unit K) of Section 14;

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 hereinafter designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

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