

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 ON ITS
OWN MOTION TO PERMIT THE
OPERATOR, H. W. PACE, AMERICAN
MANUFACTURER'S MUTUAL
INSURANCE COMPANY, SURETY,
AND ALL OTHER INTERESTED
PARTIES TO APPEAR AND SHOW
CAUSE WHY THE PAT STATE WELL
NO. 1, LOCATED IN UNIT P OF
SECTION 30, TOWNSHIP 10 SOUTH,
RANGE 27 EAST, NMPM, CHAVES
COUNTY, NEW MEXICO, SHOULD
NOT BE PLUGGED AND ABANDONED
IN ACCORDANCE WITH A DIVISION
APPROVED PLUGGING PROGRAM.

CASE NO. 11500
Order No. R-10675

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 21, 1996, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 1st day of October, 1996, 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 witness in this matter, Mr. Ray Smith, Deputy Oil and Gas Inspector for the Division, testified via telephone from Artesia, New Mexico.
- (3) H. W. Pace is the last known owner and operator of the Pat State Well No. 1 (API No. 30-005-60590) located 330 feet from the South line and 660 feet from the East line (Unit P) of Section 30, Township 10 South, Range 27 East, NMPM, Chaves County, New Mexico.

(13) In the event H. W. Pace fails to commence plugging operations on the Pat State Well No. 1 within 45 days from the date of this order, the supervisor of the Division's Artesia District Office should be authorized to direct the commencement of plugging operations on the subject well as soon as possible.

(14) The Division Director should be authorized to take such action as is deemed necessary to foreclose on the subject plugging bond to help defer such plugging cost accrued by the Division.

IT IS THEREFORE ORDERED THAT:

(1) Within 45 days from the date of this order, H. W. Pace shall commence plugging operations on the Pat State Well No. 1 (API No. 30-005-60590) located 330 feet from the South line and 660 feet from the East line (Unit P) of Section 30, Township 10 South, Range 27 East, NMPM, Chaves County, New Mexico, in a manner approved by the supervisor of the Division's Artesia District Office.

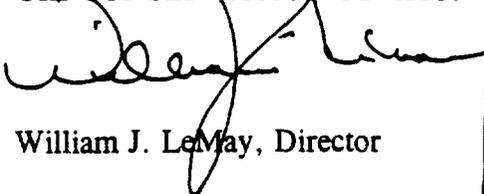
(2) In the event H. W. Pace fails to commence plugging operations on the Pat State Well No. 1 within 45 days from the date of this order, the supervisor of the Division's Artesia District Office shall direct the commencement of plugging operations on the subject well as soon as possible.

(3) The Division Director shall take such action as is deemed necessary to foreclose on the American Manufacturer's Mutual Insurance Company \$5,000.00 plugging bond on which H. W. Pace is principal to help defer such plugging cost accrued by the Division.

(4) 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