

**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 DONALD SHARRATT AND ALL
OTHER INTERESTED PARTIES TO APPEAR AND
SHOW CAUSE WHY THE BAKER "C" WELL NO. 1
(API NO. 30-02510469) LOCATED 660 FEET
FROM THE NORTH AND EAST LINES (UNIT A)
OF SECTION 26, TOWNSHIP 22 SOUTH, RANGE
37 EAST, NMPM, LEA COUNTY, NEW MEXICO
SHOULD NOT BE PLUGGED AND ABANDONED IN
ACCORDANCE WITH A DIVISION APPROVED
PLUGGING PROGRAM.**

**CASE NO. 11131
Order No. R-10257**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 10, 1994, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 28th day of November, 1994, 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) Donald Sharratt is the owner and operator of the Baker "C" Well No. 1 located 660 feet from the North and East lines (Unit A) of Section 26, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) In compliance with the Oil Conservation Division's Rules and Regulations, Donald Sharratt, as operator of said well, posted a one-well cash bond in the amount of \$7,500.00 into a Certificate of Deposit or Savings Account No. 0100064994 with Norwest Bank New Mexico, Hobbs, New Mexico, and has assigned said account to the Oil Conservation Division as security for said bond.

(4) 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.

(5) At this time, the Division seeks an order directing the operator to pay the costs of such plugging and if the operator fails to do so, ordering forfeiture of the operator's bond and authorizing the Division to make demand upon Norwest Bank New Mexico to pay the Division so much of the funds of said Certificate of Deposit as is necessary to pay the costs of plugging said well.

(6) Division records indicate that Donald Sharratt assumed ownership and operations on this well from O'Ryan Oil and Gas on or about January 7, 1993.

(7) On February 4, 1993, the Division's Hobbs District Office wrote to Donald Sharratt informing him that the subject well had a casing leak and directing him to make needed repairs on the well as soon as possible.

(8) On July 29, 1993, a Division inspector discovered water bubbling to the surface near the wellhead of the Baker "C" Well No. 1. As a result of this inspection, the Division's Hobbs District Office, on August 3, 1993, ordered Donald Sharratt to plug and abandon the Baker "C" Well No. 1.

(9) By letter dated August 18, 1993, Donald Sharratt informed the Division that he was not financially capable of meeting the Division's plugging directive.

(10) Neither Donald Sharratt nor any other interested party appeared at the hearing.

(11) The evidence presented indicates that the Baker "C" Well No. 1 has been abandoned.

(12) The current condition of the Baker "C" Well No. 1 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 this well.

(13) In order to prevent waste, to protect correlative rights, and to protect fresh waters, the above-described well should be plugged and abandoned as soon as possible in accordance with a plugging program approved by the supervisor of the Hobbs District Office of the Division.

IT IS THEREFORE ORDERED THAT:

(1) Donald Sharratt is hereby ordered to plug and abandon the Baker "C" Well No. 1 located 660 feet from the North and East lines (Unit A) of Section 26, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, within 30 days from the date of this order.

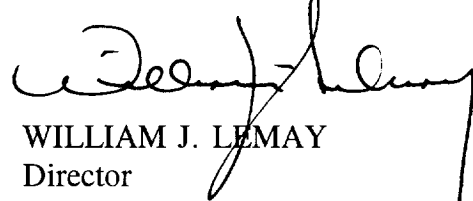
(2) Donald Sharratt, prior to plugging and abandoning the above-described well, shall obtain from the supervisor of the Division's Hobbs District Office, a Division approved plugging program, and shall notify the Division of the date and time plugging operations will commence in order that they may be witnessed.

(3) Should Donald Sharratt 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 well properly plugged at which time the Director of the Division shall make demand upon Norwest Bank New Mexico, Hobbs, New Mexico, to pay to the Division so much of the funds of the Certificate of Deposit given as collateral for a single well plugging bond as necessary to pay the costs of plugging the well.

(4) Jurisdiction is hereby 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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