

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 ("DIVISION") ON ITS OWN MOTION TO PERMIT SOFIA EXPLORATION COMPANY, OPERATOR, FIRST NATIONAL BANK OF CLAYTON, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE ROXANA STATE WELL NO. 1, LOCATED IN SECTION 36, TOWNSHIP 26 NORTH, RANGE 26 EAST, NMPM, UNION COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

*CASE NO. 11488
ORDER NO. R-10566*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 7, 1996, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 1st day of April, 1996, the Division Director, having considered 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 operator of record for the Roxana State Well No. 1 (**API No. 30-059-20295**), located 1980 feet from the North and West lines (Unit F) of Section 36, Township 26 North, Range 26 East, NMPM, Union County, New Mexico, is Sofia Exploration Company of Tulsa, Oklahoma.
- (3) In compliance with the New Mexico Oil Conservation Division ("Division") Rules and Regulations, Sofia Exploration Company, as operator of said well had posted a one-well cash plugging bond in November, 1986 in the amount of \$7,500.00 into a Certificate of Deposit with the First National Bank of Clayton in Clayton, New Mexico, and had assigned said account to the Division as security for said bond.

(4) The purpose of said bond is to assure the Division 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, make demand upon the First National Bank of Clayton to pay the Division so much of the funds as is necessary to pay the costs of plugging said well.

(6) The above-described Roxana State Well No. 1 has not produced carbon-dioxide gas or has otherwise been inactive for more than one year, and no permit for temporary abandonment has been requested by the operator or approved by the Division.

(7) By virtue of the failure to use the subject well for a beneficial purpose or to have an approved current temporary abandonment permit, the well is presumed to have been abandoned.

(8) The current condition of the subject well is such that if action is not taken to properly plug and abandon this well, waste may occur, correlative rights may be violated, and/or fresh water may be contaminated.

(9) Neither the operator, a bank representative, nor any other interested parties appeared at the hearing, either in support of or in opposition to this matter.

(10) Said Roxana State Well No. 1 should be plugged and abandoned in accordance with a program approved by the supervisor of the District IV Office of the New Mexico Oil Conservation Division in Santa Fe, New Mexico as soon as possible.

(11) Further, the Division should be authorized to take such action as is deemed necessary to have the well properly plugged and abandoned at which time the Director of the Division shall make demand upon the First National Bank of Clayton to pay the Division so much of the funds as is necessary to pay the costs of plugging said well.

IT IS THEREFORE ORDERED THAT:

(1) The supervisor of the District IV Office of the New Mexico Oil Conservation Division in Santa Fe, New Mexico is hereby authorized to direct the commencement of plugging operations on the Sofia Exploration Company Roxana State Well No. 1 (**API No. 30-059-20295**), located 1980 feet from the North and West lines (Unit F) of Section 36, Township 26 North, Range 26 East, NMPM, Union County, New Mexico.

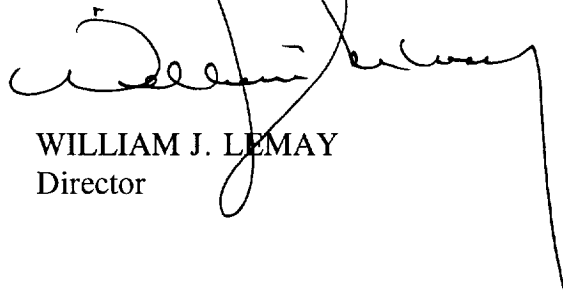
IT IS FURTHER ORDERED THAT:

(2) The Division is hereby authorized to take such action as is deemed necessary to have the well properly plugged and abandoned at which time the Director of the Division shall make demand upon the First National Bank of Clayton to pay the Division so much of the funds as is necessary to pay the costs of plugging said well.

(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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