

Entered December 21, 1976

JAR

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT SERVICE DRILLING COMPANY, THE TRAVELERS INDEMNITY COMPANY, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE GONZALES-PITTMAN WELL NO. 1, LOCATED IN UNIT M OF SECTION 24, TOWNSHIP 21 NORTH, RANGE 21 EAST, MORA COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

CASE NO. 5768
Order No. R-5337

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 27, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of December, 1976, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That Service Drilling Company is the owner and operator of the Gonzales-Pittman Well No. 1, located in Unit M of Section 24, Township 21 North, Range 21 East, NMPM, Mora County, New Mexico.

(3) That The Travelers Indemnity Company is the surety on the Oil Conservation Commission plugging bond on which Service Drilling Company is principal.

(4) That 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) That there is some question as to whether the subject well is capable of, or can be made capable of, producing gas in paying quantities.

(6) That the operator of the subject well should be afforded a reasonable period of time in which to ascertain whether said well is or can be made capable of producing gas in paying quantities.

-2-

Case No. 5768

Order No. R-5337

(7) That 60 days from date of entry of this order is a reasonable period of time to make such determination.

(8) That in the event such determination has not been made 60 days after date of entry of this order, in order to prevent waste and protect correlative rights said Gonzales-Pittman Well No. 1 should be plugged and abandoned in accordance with a program approved by the Santa Fe District Office of the New Mexico Oil Conservation Commission on or before March 1, 1977.

IT IS THEREFORE ORDERED:

(1) That Service Drilling Company and The Travelers Indemnity Company are hereby ordered to plug and abandon the Gonzales-Pittman Well No. 1, located in Unit M of Section 24, Township 21 North, Range 21 East, NMPM, Mora County, New Mexico, on or before March 1, 1977, unless it has been shown to the satisfaction of the Secretary-Director of the Commission within 60 days after date of entry of this order that said well is capable of producing gas in paying quantities.

(2) That Service Drilling Company and The Travelers Indemnity Company, prior to plugging and abandoning the above-described well, shall obtain from the Santa Fe office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Santa Fe office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

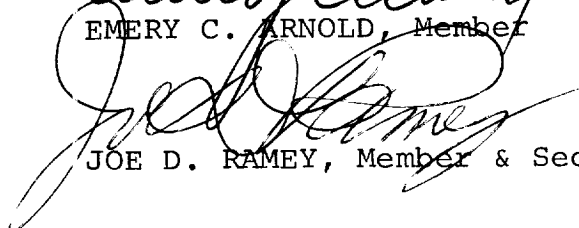
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

jr/