

Entered August 1, 1978

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6274
Order No. R-5778

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT SHAR-ALAN OIL COMPANY, THE TRAVELERS INDEMNITY CO., AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE LILLIAN STATE WELL NO. 2-X LOCATED IN UNIT P OF SECTION 2 AND THE EMMA McDANIEL WELL NO. 2 LOCATED IN UNIT G OF SECTION 22, BOTH IN TOWNSHIP 24 NORTH, RANGE 1 WEST, 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 9 a.m. on July 19, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 1st day of August, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That Shar-Alan Oil Company is the owner and operator of the Lillian State Well No. 2-X located in Unit P of Section 2 and the Emma McDaniel Well No. 2 located in Unit G of Section 22, both in Township 24 North, Range 1 West, NMPM, Rio Arriba County, New Mexico.

(3) That The Travelers Indemnity Co. is the surety on the Oil Conservation Division plugging bond on which Shar-Alan Oil Company is principal.

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(4) That the purpose of said bond is to assure the state that the subject wells will be properly plugged and abandoned when not capable of commercial production.

(5) That in order to prevent waste and protect correlative rights said Lillian State Well No. 2-X and Emma McDaniel Well No. 2 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 October 1, 1978, or the wells should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

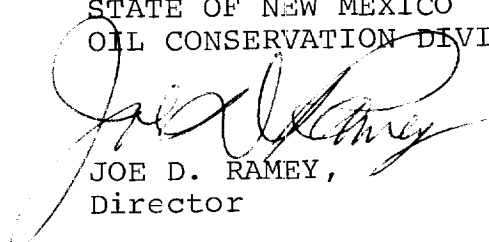
(1) That Shar-Alan Oil Company is hereby ordered to plug and abandon the Lillian State Well No. 2-X located in Unit P of Section 2 and the Emma McDaniel Well No. 2 located in Unit G of Section 22, both in Township 24 North, Range 1 West, NMPM, Rio Arriba County, New Mexico, or in the alternative, to return the wells to active drilling status or place the wells on production on or before October 1, 1978.

(2) That Shar-Alan Oil 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) That 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


JOE D. RAMEY,
Director

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