

Entered October 18, 1979
JMR

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. 6640
Order No. R-6143

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION
DIVISION ON ITS OWN MOTION TO PERMIT MILES PRODUCTION COMPANY,
NATIONAL SURETY CORPORATION AND ALL OTHER INTERESTED PARTIES
TO APPEAR AND SHOW CAUSE WHY THE THOMAS DROUGHT WELL NO. 1
LOCATED IN UNIT A OF SECTION 4, TOWNSHIP 15 NORTH, RANGE 6
WEST, MCKINLEY 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 October 2, 1979,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 18th day of October, 1979, 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 Miles Production Company is the owner and operator
of the Thomas Drought Well No. 1, located in Unit A of Section
4, Township 15 North, Range 6 West, NMPM, McKinley County, New
Mexico.

(3) That National Surety Corporation is the surety on
the Oil Conservation Division plugging bond on which Miles Pro-
duction 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.

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(5) That in order to prevent waste and protect correlative rights said Thomas Drought Well No. 1 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 February 1, 1980, or be properly plugged back to the Gallup formation if such well is to be continued on production therefrom.

IT IS THEREFORE ORDERED:

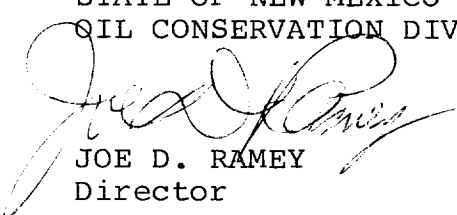
(1) That Miles Production Company and National Surety Corporation are hereby ordered to plug and abandon the Thomas Drought Well No. 1, located in Unit A of Section 4, Township 15 North, Range 6 West, NMPM, McKinley County, New Mexico, or in the alternative, properly plug such well back to the Gallup formation if such well is to be continued on production status therefrom on or before February 1, 1980.

(2) That Miles Production Company and National Surety Corporation, prior to plugging and abandoning or plugging back the above-described well, shall obtain from the Aztec office of the Division, a Division-approved program for said plugging and abandoning or plugging back, 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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