

Entered March 21, 1983
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 7703
Order No. R-7239

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT CORTEZ CORPORATION, UNITED STATES FIRE INSURANCE COMPANY AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE FAIR WELL NO. 1, LOCATED IN UNIT D OF SECTION 24, TOWNSHIP 18 SOUTH, RANGE 26 EAST, EDDY COUNTY, 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 February 16, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 21st day of March, 1983, 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 Cortez Corporation is the owner and operator of the Fair Well No. 1, located in Unit D of Section 24, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

(3) That United States Fire Insurance Company is the surety on the Oil Conservation Division plugging bond on which Cortez Corporation 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 in order to prevent waste and protect correlative rights said Fair Well No. 1 should be plugged and abandoned in accordance with a program approved by the Artesia District Office of the New Mexico Oil Conservation Division on or before July 31, 1983, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

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(1) That Cortez Corporation and United States Fire Insurance Company are hereby ordered to plug and abandon the Fair Well No. 1, located in Unit D of Section 24, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before July 31, 1983.

(2) That Cortez Corporation and United States Fire Insurance Company, prior to plugging and abandoning the above-described well, shall obtain from the Artesia office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Artesia 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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