

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 8864 (REOPENED)
ORDER NO. R-8223-A

IN THE MATTER OF CASE 8864 BEING
REOPENED UPON THE APPLICATION OF
SUNTEX ENERGY CORPORATION TO
VACATE OR MODIFY DIVISION ORDER
NO. R-8223 ENTERED IN SAID CASE
8864, RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 9, 1987, at Santa Fe, New Mexico before Examiner Michael E. Stogner.

NOW, on this 9th day of December, 1987, the Division Director, having considered the testimony, 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) At the time of the hearing this case was consolidated with Reopened Cases Nos. 8863 and 9074 for the purpose of testimony.

(3) By Order No. R-8223, issued in Case No. 8864 and dated May 19, 1986, the Division ordered Suntex Energy Corporation, as the owner and operator, and Fidelity and Deposit Company of Maryland, as the surety on the plugging bonds, to either plug and abandon or recomplete as producers the following described wells in Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico, by June 30, 1986:

Suntex Well No. 1
1824 feet from the North line and 570 feet from the West line (Unit E) of Section 26;

Suntex Well No. 2
660 feet from the South line and 365 feet from the East line (Unit P) of Section 22;

Suntex Well No. 3
1858 feet from the North line and 1800 feet from the West line (Unit F) of Section 14;

Suntex Well No. 4
935 feet from the North line and 1650 feet from the West line (Unit C) of Section 23;

Suntex Well No. 5
2004 feet from the South line and 2310 feet from the West line (Unit K) of Section 11; and

Suntex Well No. 6
1980 feet from the South line and 660 feet from the West line (Unit L) of Section 23.

(4) Subsequent to the original hearing date in this case (April 2, 1986) and prior to June 30, 1986 no effort by the operator to either recompleate or complete the subject wells as producers was made, therefore, pursuant to the provisions of said Order No. R-8223 it became necessary for the Division's Aztec District Office to take the necessary steps to properly plug and abandon the subject wells.

(5) At this time the applicant, Suntex Energy Corporation, seeks to either vacate or modify said Order No. R-8223 so that it may be allowed to either complete or recompleate the subject wells as producers.

(6) At the time of this hearing the applicant failed to present adequate testimony or evidence to show that it presently has sufficient capital to operate the subject wells.

(7) The applicant also failed to present sufficient evidence to support a finding that the subject wells could be operated in a prudent manner.

(8) Further delay in plugging the subject wells could increase the risk of waste occurring, correlative rights being violated, or the contamination of fresh waters.

(9) This application should therefore be denied and Division Order No. R-8223 should remain in full force and effect.

IT IS THEREFORE ORDERED THAT:

(1) The application of Suntex Energy Corporation to vacate or modify Division Order No. R-8223, dated May 19, 1986,

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so that they may be allowed to either complete or recomplete the following described wells as producers:

Suntex Well No. 1
1824 feet from the North line and 570 feet from the West line (Unit E) of Section 26;

Suntex Well No. 2
660 feet from the South line and 365 feet from the East line (Unit P) of Section 22;

Suntex Well No. 3
1858 feet from the North line and 1800 feet from the West line (Unit F) of Section 14;

Suntex Well No. 4
935 feet from the North line and 1650 feet from the West line (Unit C) of Section 23;

Suntex Well No. 5
2004 feet from the South line and 2310 feet from the West line (Unit K) of Section 11; and

Suntex Well No. 6
1980 feet from the South line and 660 feet from the West line (Unit L) of Section 23,


all in Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico, is hereby denied.

(2) Said Order No. R-8223 shall remain in full force and effect.

(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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