

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. 6445
Order No. R-5940

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT CONSOLIDATED MINERALS DEVELOPMENT CORPORATION, AMERICAN SURETY COMPANY, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE SARAH "S" WELL NO. 1 LOCATED IN UNIT J OF SECTION 26, TOWNSHIP 31 NORTH, RANGE 23 EAST, COLFAX 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 February 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of February, 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 Consolidated Minerals Development Corporation is the owner and operator of the Sarah "S" Well No. 1, located in Unit J of Section 26, Township 31 North, Range 23 East, NMPM, Colfax County, New Mexico.
- (3) That American Surety Company is the surety on the Oil Conservation Division plugging bond on which Consolidated Minerals Development 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 Sarah "S" Well No. 1 should be plugged and abandoned

-2-

Case No. 6445
Order No. R-5940

in accordance with a program approved by the Santa Fe District Office of the New Mexico Oil Conservation Division on or before May 31, 1979, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

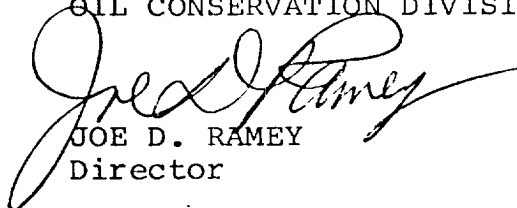
(1) That Consolidated Minerals Development Corporation is hereby ordered to plug and abandon the Sarah "S" Well No. 1, located in Unit J of Section 26, Township 31 North, Range 23 East, NMPM, Colfax County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before May 31, 1979.

(2) That Consolidated Minerals Development Corporation, prior to plugging and abandoning the above-described well, shall obtain from the Santa Fe office of the Division, a Division-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 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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L

fd/