

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

well file copy

CASE NO. 8863
Order No. R-8210

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION DIVISION ON ITS OWN MOTION
TO PERMIT ALANA OIL AND GAS CORPORATION,
FIDELITY AND DEPOSIT COMPANY, AND OTHER
INTERESTED PARTIES TO APPEAR AND SHOW CAUSE
WHY THREE CERTAIN WELLS ON THEIR SAMANTHA LEASE
IN SECTION 26, TOWNSHIP 28 NORTH, RANGE 1 EAST,
AND A WELL ON THEIR ALANA LEASE IN SECTION 11,
TOWNSHIP 27 NORTH, RANGE 1 EAST, ALL IN 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 8:15 a.m. on April 2,
1986, at Santa Fe, New Mexico, before Examiner Michael E.
Stogner.

NOW, on this 25th day of April, 1986, 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 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 Division Cases Nos. 8862,
8863, and 8864 were consolidated for purposes of testimony.

(3) Alana Oil & Gas Corporation is the owner and operator
of the Samantha Wells Nos. 1, 2, and 3, located 1580 feet from
the South line and 1202 feet from the West line (Unit L), 1985
feet from the South line and 2290 feet from the West line (Unit
K), and 1105 feet from the South line and 2490 feet from the
West line (Unit N), respectively, all in Section 26, Township 2
North, Range 1 East, NMPM, and the Alana Well No. 1 located 511
feet from the South line and 2144 feet from the West line
(Unit N) of Section 11, Township 27 North, Range 1 East, NMPM,
all in Rio Arriba County, New Mexico.

RECEIVED

APR 28 1986

OIL CON. DIV.

(4) Fidelity and Deposit Company is the surety on each of the Oil Conservation Division one well plugging bonds for the above-described wells.

(5) The purpose of said bond is to assure the state that the subject wells will be properly plugged and abandoned when they are no longer capable of commercial production.

(6) The current condition of each of said wells is such that waste may occur, correlative rights may be violated or fresh waters may be contaminated if action is not taken to properly plug and abandon the same or return them to production.

(7) In order to prevent waste, to protect correlative rights, and to protect fresh waters the above-described wells 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 May 25, 1986, or the wells should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED THAT:

(1) Alana Oil and Gas Corporation and Fidelity and Deposit Company are hereby ordered to plug and abandon the Samantha Wells Nos. 1, 2, and 3 located 1580 feet from the South line and 1202 feet from the West line (Unit L), 1985 feet from the South line and 2290 feet from the West line (Unit K), and 1105 feet from the South line and 2490 feet from the West line (Unit N), respectively, all in Section 26, Township 28 North, Range 1 East, NMPM, and the Alana Well No. 1 located 511 feet from the South line and 2144 feet from the West line (Unit N) of Section 11, Township 27 North, Range 1 East, NMPM, all in Rio Arriba County, New Mexico on or before May 25, 1986.

(2) Alana Oil & Gas Corporation and Fidelity and Deposit 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 the Aztec office of the date and hour said work is to commence whereupon the Division may, at its option, witness such work.

(3) In the alternative, the Supervisor of the Division's district office at Aztec may permit any of said wells to be completed or recompleted as a producer provided that an acceptable plan for such work is filed with such office prior to May 25, 1986, provided that such work shall be completed within 180 days following entry of this order.