Entered June 18, 1980

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. 6803 Order No. R-6370

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT EPROC ASSOCIATES, HARTFORD ACCIDENT AND INDEMNITY COMPANY, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY ITS MONSANTO STATE H WELL NO. 1 LOCATED IN UNIT E OF SECTION 2, TOWNSHIP 30 NORTH, RANGE 16 WEST, SAN JUAN 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 June 4, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>18th</u> day of June, 1980, 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 EPROC Associates is the owner and operator of the Monsanto State H Well No. 1, located in Unit E of Section 2, Township 30 North, Range 16 West, NMPM, San Juan County, New Mexico.

(3) That Hartford Accident and Indemnity Company is the surety on the Oil Conservation Division plugging bond on which EPROC Associates 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. -2-Case No. 6803 Order No. R-6370

(5) That in order to prevent waste and protect correlative rights said Monsanto State H 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 September 1, 1980, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That EPROC Associates and Hartford Accident and Indemnity Company are hereby ordered to plug and abandon the Monsanto State H Well No. 1, located in Unit E of Section 2, Township 30 North, Range 16 West, NMPM, San Juan County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before September 1, 1980.

(2) That EPROC Associates and Hartford Accident and Indemnity Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec office of the Division, a Division-approved program for said plugging and abandoning, 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 ON CONSERVATION DIVISION RAMEY JOE D. Director

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