

Entered August 4, 1980
JGR

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. 6969
Order No. R-6431

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT ASSOCIATED OIL & GAS COMPANY OF NEW MEXICO, INC., HOUSTON FIRE AND CASUALTY INSURANCE COMPANY, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE VIGIL WELL NO. 1 LOCATED IN UNIT J OF SECTION 14, TOWNSHIP 12 NORTH, RANGE 6 EAST, SANDOVAL 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 July 23, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of August, 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 Associated Oil & Gas Company of New Mexico is the owner and operator of the Vigil Well No. 1, located in Unit J of Section 14, Township 12 North, Range 6 East, NMPM, Sandoval County, New Mexico.

(3) That Houston Fire and Casualty Insurance Company is the surety on the Oil Conservation Division plugging bond on which Associated Oil & Gas Company of New Mexico is principal.

-2-

Case No. 6969
Order No. R-6431

(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 Vigil 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 October 1, 1980, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

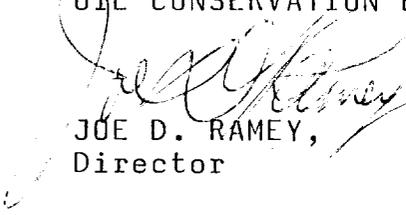
(1) That Associated Oil & Gas Company of New Mexico, Inc. and Houston Fire and Casualty Insurance Company are hereby ordered to plug and abandon the Vigil Well No. 1, located in Unit J of Section 14, Township 12 North, Range 6 East, NMPM, Sandoval County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before October 1, 1980.

(2) That Associated Oil & Gas Company of New Mexico, Inc. and Houston Fire and Casualty Insurance 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
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

S E A L

dr/