



BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE



February 10, 1983

Case 7893

Mr. Perry Pearce
Oil Conservation Division
P. O. Box 2088
Santa Fe NM 87501

Re: Sovereign Oil Company; Sovereign 32-6 #1; E-9-32N-6W

Dear Perry,

The referenced operator has drilled the above well without an approved plugging bond or an approved permit to drill, in serious violation of our Rules 101 and 102.

I recommend that we file suit against Sovereign Oil Company to assess the appropriate penalties.

If you have any questions please call this office.

Yours truly,

Frank T. Chavez
Frank T. Chavez
District Supervisor

FTC:gc

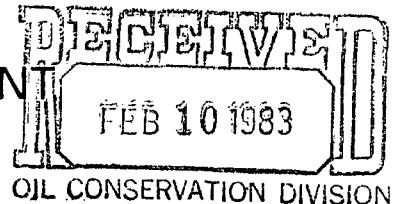
cc: Operator file



BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE



SANTA FE BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

February 10, 1983

Case 7893

Sovereign Oil Company
7490 Clubhouse Road, Suite 102
Boulder CO 80301

Re: Sovereign 32-6 #1; E-9-32N-6W

Gentlemen:

Our field inspections find that the referenced well was drilled without a plugging bond or an approved permit to drill in serious violation of our rules and regulations.

You are hereby directed to cease all operations on the well until further notice. You are also directed to file the appropriate reports of all your activities on this well.

This matter has been referred to our legal department.

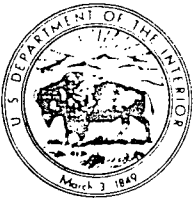
If you have any questions please call this office.

Yours truly,

Frank T. Chavez
District Supervisor

FTC:gc

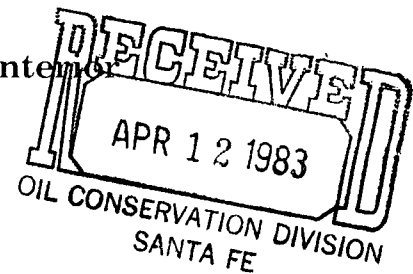
cc: Reading file
Santa Fe
Operator file



IN REPLY
REFER TO: 400
770.

United States Department of the Interior
BUREAU OF RECLAMATION
UPPER COLORADO REGION
DURANGO PROJECTS OFFICE
P.O. BOX 640
DURANGO, COLORADO 81301

APR - 8 1983



Ms. Carol Middlekauff, CIC, ARM
Desert American Insurance Agency
1625 Broadway, Suite 270
Denver, Colorado 80202

Dear Ms. Middlekauff:

This letter is in reference to performance bond #FS 104596 for Sovereign Oil Company's Grant of Right-of-Way #3-07-40-L0820. We have received subject performance bond and the Grant of Right-of-Way has been reinstated with Sovereign Oil Company. Attached is a copy of your letter dated March 31, 1983 as requested.

Thank you for your attention in this matter. If we can be of further assistance, please contact us at (303) 247-0247.

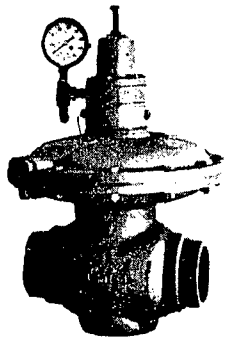
Sincerely yours,

John D. Brown
Projects Manager

Enclosure

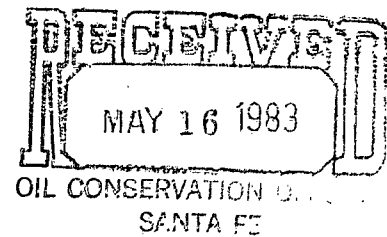
cc: Sovereign Oil Company, Boulder, Colorado
Colorado Division of Wildlife, Durango, Colorado
New Mexico Department of Game and Fish, Farmington, New Mexico
Oil Conservation Division, Santa Fe, New Mexico

THIS COPY FOR



MOFFAT ENGINEERING SERVICES

Country Club Offices
7490 Clubhouse Road, Suite 102
Boulder, Colorado 80301
(303) 530-0608



May 9, 1983

RE: Navajo Lake Prospect
San Juan County, New Mexico
Sec. 9 T32N, R6W

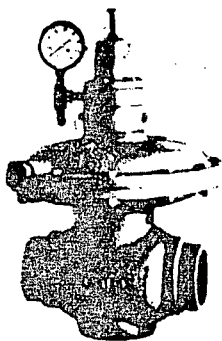
COMPLETION SCHEDULE

for

Sovereign Oil Company 32-6 Well

The first phase of the completion work involves the road to the well, which passes through several environmentally sensitive districts, one in Colorado (Colorado Wild Life Commission) and one in New Mexico (Navajo Lake preserve).

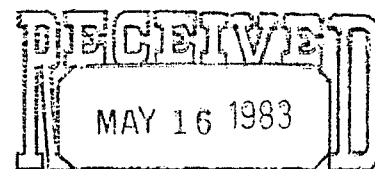
Under the direction of the Bureau of Reclamation engineering personnel, we are doing certain construction work that is beneficial to the road. This work is being done by Gosney and Sons, of Durango, Colorado.



MOFFAT ENGINEERING SERVICES

Country Club Offices
7490 Clubhouse Road, Suite 102
Boulder, Colorado 80301

(303) 530-0608



OIL CONSERVATION
SANTA FE

May 12, 1983

COMPLETION SCHEDULE

for

Sovereign Oil Company 32-6 Well
Navajo Lake Prospect
Sec. 9 T32N, R6W, San Juan Co., NM

The road to the Navajo Lake well was badly gutted during the winter drilling. The sides of the road had to be pulled back in. It was necessary to re-crown the road, and to put in reconstructed water bars (a type of road drainage). Also, the construction company Gosney & Sons of Durango, Colorado, moved a cattle guard and re-installed it. There was some minor fence repair done. A total of 4160 feet of road was graveled.

This work was done under the direction of:

Mr. Rex Edwards - Bureau of Reclamation

Mr. Bob Rouse - Colorado Fish and Wild Life

The work has been approved and we will receive a letter shortly from Mr. Edwards so stating.

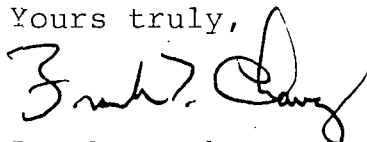
The road engineering was handled by Mr. Don Gosney of the Gosney Construction Company.

Case 7893

Perry Pearce
April 29, 1983
Page two

- (2) ✓ A case calling Sovereign Oil Company and Allied Fidelity Insurance Company to appear and show cause why the Sovereign 32-6 #1 in Unit E, Section 9, Township 32 North, Range 6 West, should not be plugged and abandoned in accordance with a Division approved plugging program.
- (3) A case calling Petro-Lewis Corporation, Dyna Ray Oil and Gas Company, Inc., and Floyd J. Ray, to appear and show cause why the Earnhardt #1 in Unit G, Section 35, Township 24 North, Range 1 West, should not be plugged and abandoned in accordance with a Division approved plugging program.

Yours truly,



Frank T. Chavez
District Supervisor

FTC/lh

Orders Done

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:

[Signature] *[Initials]* *gpp*
MS

CASE NO. 7893
Order No. R-7336

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION
DIVISION ON ITS OWN MOTION TO PERMIT SOVEREIGN OIL COMPANY,
ALLIED FIDELITY INSURANCE COMPANY, AND ALL OTHER INTERESTED
PARTIES TO APPEAR AND SHOW CAUSE WHY THE SOVEREIGN 32-6 WELL NO.
1 LOCATED IN UNIT E OF SECTION 9, TOWNSHIP 32 NORTH, RANGE 6
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 August 17,
1983, at Santa Fe, New Mexico, before Examiner Richard L.
Stamets.

NOW, on this _____ day of August, 1983, the Division
Director, having considered the record and the recommendations
of the Examiner, and being fully advised in the premises,

FINDS:

all deficiencies related to the subject well
That ~~the applicant's request for dismissal should be~~
granted. Having been corrected, the case No 7893 should
be dismissed

IT IS THEREFORE ORDERED:

That Case No. 7893 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.