

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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Oil Conservation Division

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION THROUGH THE SUPERVISOR OF DISTRICT III FOR AN ORDER REQUIRING THE NAVAJO LAKE 32-6 #1 WELL (API NO. 30-045-25790), LOCATED 1730' FNL & 900' FWL, UNIT E, SEC. 9, TOWNSHIP 32 NORTH, RANGE 6 WEST, SAN JUAN COUNTY, NEW MEXICO, TO BE PROPERLY PLUGGED, AUTHORIZING THE DIVISION TO PLUG SAID WELL AND ORDERING A FORFEITURE OF THE PLUGGING BOND, IF ANY.

CASE NO. 11380

APPLICATION FOR PLUGGING

1. Sovereign Oil Co. (hereinafter called "Operator") is the operator of the Navajo Lake 32-6 #1 well, located 1730' feet from the North line and 900 feet from the West line (Unit E) of Section 9, Township 32 North, Range 6 West, NMPM, San Juan County, New Mexico.

2. Sovereign Oil Co. as Operator, has posted a one-well bond in the amount of \$7,500 in compliance with Section 70-2-14 N.M.S.A. 1978 and Rule 101 of the Rules and Regulations of the Oil Conservation Division, which bond is conditioned upon compliance with the Statutes of the State of New Mexico and the Rules and Regulations of the Division with respect to the proper plugging and abandonment of the well operated by said Operator. Richmond Petroleum Inc. may also have an interest in the well.

3. The subject well has not produced hydrocarbon substance or has otherwise been inactive for more than one year or is no longer usable for beneficial purposes and no permit for

1
14.5 miles

NE x N of the Navajo Dam

temporary abandonment has been requested by the Operator and approved by the Division.

4. By virtue of the failure to use the well for beneficial purposes or to have an approved current temporary abandonment permit, the subject well is presumed to have been abandoned and is required to be plugged.

5. By authority of Section 70-2-12 N.M.S.A. 1978, the Rules and Regulations of the Division require wells which are inactive for more than one year or are no longer usable for beneficial purposes to be properly plugged.

6. Demand has been made upon the Operator to either place the subject well to beneficial use, obtain approval for temporary abandonment or properly plug and abandon the same and the Operator has failed to do so.

WHEREFORE, the Supervisor of District III of the Oil Conservation Division applies to the Director to enter an order:

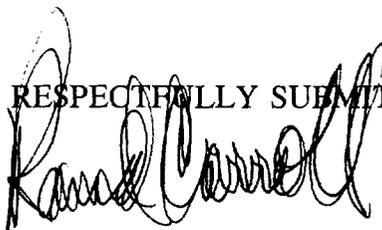
1. Determining whether or not the Navajo Lake 32-6 #1 well should be plugged in accordance with a Division-approved plugging program:

2. Upon determination that said well should be plugged directing Sovereign Oil Co. as Operator to plug said well.

3. Further ordering that if Operator fails to plug and abandon said well as ordered by the Director, that the Division be authorized:

- a. to plug said well;
- b. to declare forfeit on said bond and to take such action to foreclose on said bond; and
- c. to recover from the Operator any costs of plugging in excess of the amount of the bond.

4. For such other and further relief as the Division seems just and proper.

RESPECTFULLY SUBMITTED,


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