

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT RAPID COMPANY, INC., AMERICAN EMPLOYERS' INSURANCE CO. AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY CERTAIN WELLS IN LEA COUNTY SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

CASE No. 8741  
Order No. R-8099

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 21, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 18th day of December, 1985, 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 public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) Rapid Company, Inc. is the owner and operator of the following described wells, all in Township 12 South, Range 34 East, NMPM, Lea County, New Mexico:

| <u>WELL NAME<br/>AND NUMBER</u> | <u>FOOTAGE LOCATION</u> | <u>UNIT</u> | <u>SECTION</u> |
|---------------------------------|-------------------------|-------------|----------------|
| Punch #1                        | 1980' FSL & 1980' FEL   | J           | 11             |
| Ranger Lake #1                  | 660' FSL & 1980' FWL    | N           | 11             |
| Ranger Lake #3                  | 557' FSL & 1917' FWL    | N           | 11             |
| Texas Pacific "AH"<br>State #1  | 1980' FNL & 1980' FWL   | F           | 14             |
| Ranger Lake SWD #1              | 1980' FNL & 660' FEL    | H           | 15             |

(3) American Employers' Insurance Company is the surety on the Oil Conservation Division plugging bond on which Rapid Company, Inc. is principal

(4) The purpose of said bond is to assure the state that the subject wells will be properly plugged and abandoned when not capable of commercial production.

(5) The subject wells pose a hazard to hydrocarbon reserves, could cause contamination of fresh water supplies, cause further injury to livestock and other properties, or threaten the public health, safety and welfare.

(6) In order to prevent waste, protect correlative rights, prevent contamination of fresh waters, prevent injury to livestock and neighboring properties, and to protect the public health, safety, and welfare, the aforesaid wells, as described above, should be plugged and abandoned in accordance with a plugging program approved by the Hobbs District Office of the Division.

(7) The plugging of all of the aforesaid wells should be accomplished as soon as practicable, but in any event, no later than March 1, 1986.

IT IS THEREFORE ORDERED THAT:

(1) Rapid Company, Inc. and American Employers' Insurance Company are hereby ordered to plug and abandon the following described wells in Township 12 South, Range 34 East, NMPM, Lea County, New Mexico:

| <u>WELL NAME<br/>AND NUMBER</u> | <u>FOOTAGE LOCATION</u> | <u>UNIT</u> | <u>SECTION</u> |
|---------------------------------|-------------------------|-------------|----------------|
| Punch #1                        | 1980' FSL & 1980' FEL   | J           | 11             |
| Ranger Lake #1                  | 660' FSL & 1980' FWL    | N           | 11             |
| Ranger Lake #3                  | 557' FSL & 1917' FWL    | N           | 11             |
| Texas Pacific "AH"              |                         |             |                |
| State #1                        | 1980' FNL & 1980' FWL   | F           | 14             |
| Ranger Lake SWD #1              | 1980' FNL & 660' FEL    | H           | 15             |

(2) In the alternative any or all of said wells may be returned to approved active drilling status or be placed on production.

(3) Said wells shall be plugged and abandoned, returned to drilling, or placed on production on or before March 1, 1986.

(4) Rapid Company, Inc. and American Employers' Insurance Company shall have thirty days from the date of this order in which to indicate in writing their commitment to either plug the subject wells or return them to active production.

(5) Rapid Company, Inc. and American Employers' Insurance Company, prior to plugging and abandoning the above-described

wells, shall obtain from the Hobbs office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Hobbs office of the date and hour said work is to be commenced whereupon the Division may, at its option, witness such work.

(6) Should Rapid Company, Inc. or American Employers' Insurance Company not indicate their intent within such thirty day period, the Oil Conservation Division shall undertake to have the subject wells plugged.

(7) If the Oil Conservation Division plugs the subject wells due to the failure of Rapid Company or American Employers' Insurance Company to do so, any and all bonds on such wells shall be forfeited in accordance with law, and the Division shall make all necessary efforts to recover any funds expended above the amount of bond coverage.

(8) 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



R. L. STAMETS,  
Director

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