

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

February 27, 1987

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Texas Rose Petroleum, Inc.
16970 Dallas Parkway
Suite 702
Dallas, Texas 75248

Re: CASE NO. 9075
ORDER NO. R-8405

Applicant:

OCD (Texas Rose Petroleum, Inc.)

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other The Travelers Indemnity Company

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 TEXAS ROSE PETROLEUM, INC.,
THE TRAVELERS INDEMNITY COMPANY AND ALL
OTHER INTERESTED PARTIES TO APPEAR AND SHOW
CAUSE WHY THE QUINLAN RANCH WELL NO.1 IN
RIO ARriba COUNTY, NEW MEXICO, SHOULD NOT
BE RE-PLUGGED AND ABANDONED IN ACCORDANCE
WITH A DIVISION APPROVED PLUGGING PROGRAM.

CASE NO. 9075
Order No. R-8405

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 18, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 26th day of February, 1987, 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) Texas Rose Petroleum, Inc. is the owner and operator of the Quinlan Ranch Well No. 1 located at a point approximately 9040 feet in the direction South 44 Degrees 25 Minutes 05 Seconds East from Mile Corner No. 202 plus 5.10 feet on the boundary line of Colorado and New Mexico (the NW/4 NE/4 [Unit B] of projected Section 29, Township 32 North, Range 3 East, NMPM), Tierra Amarilla Land Grant, Rio Arriba County, New Mexico.

(3) At the time of the hearing Division Cases Nos. 9074 and 9075 were consolidated for purposes of testimony.

(4) The Travelers Indemnity Company is the surety on the Oil Conservation Division blanket plugging bond on which Texas Rose Petroleum, Inc. is principal.

(5) 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.

(6) The current condition of said well is such that waste may occur, correlative rights may be violated, or fresh waters may be contaminated if action is not taken to properly plug and abandon the well.

(7) In order to prevent waste, protect correlative rights and prevent any fresh water contamination said Quinlan Ranch 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 March 31, 1987 or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED THAT:

(1) Texas Rose Petroleum, Inc. and Travelers Indemnity Company are hereby ordered to plug and abandon the Quinlan Ranch Well No. 1, located at a point approximately 9040 feet in the direction South 44 Degrees 25 Minutes 05 Seconds East from Mile Corner No. 202 plus 5.10 feet on the boundary line of Colorado and New Mexico (the NW/4 NE/4 [Unit B] of projected Section 29, Township 32 North, Range 3 East, NMPM) Tierra Amarilla Land Grant, Rio Arriba County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before March 31, 1987.

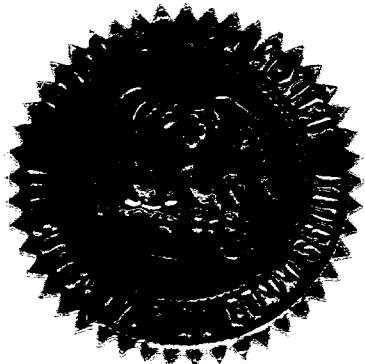
(2) Texas Rose Petroleum, Inc. and Travelers Indemnity Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Aztec office of the date and hour said work is to be commenced whereupon the Division may, at its option, witness such work.

(3) Should either party fail or refuse to properly plug and abandon the subject well in accordance with the terms of this order, the Division shall then take such actions as are deemed necessary to have the well properly plugged.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Case No. 9075
Order No. R-8405
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DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

William J. Lemay
WILLIAM J. LEMAY
Director