

DEPARTMENT OF LAND AND MINES
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

RECEIVED

MAY 31 1977

CASE NO. 5913
Order No. R-5429

O.C.C.
ARTICLE, OFFICE

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 11, 1977, at
Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th day of May, 1977, the Commission, a
quorum being present, 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 Commission has jurisdiction of this cause and the
subject matter thereof.

(2) That Kent Shannon is the owner and operator of the
Hi Lonesome Well No. 1 located in Unit D of Section 32, Town-
ship 8 South, Range 27 East; El Paso Well No. 1, located in
Unit M of Section 36, Township 10 South, Range 26 East; and the
Karma Well No. 1, located in Unit O of Section 16, Township 10
South, Range 27 East, NMPPM, all in Chaves County, New Mexico.

(3) That American Employers' Insurance Company is the
surety on the Oil Conservation Commission plugging bond on
which Kent Shannon is principal.

(4) That 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.

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(5) That in order to prevent waste, to protect correlative rights, and to protect fresh waters, each of the above-described wells should be plugged and abandoned in accordance with a Mexico Oil Conservation Commission on or before August 15, 1977, or returned to active drilling status, or placed on production.

IT IS THEREFORE ORDERED:

(1) That Kent Shannon and American Employers' Insurance Company are hereby ordered to plug and abandon the H1 Lonesome Well No. 1, located in Unit D of Section 32, Township 8 South, Range 27 East; the El Paso Well No. 1, located in Unit M of Section 36, Township 10 South, Range 26 East; and the Karma Well No. 1 located in Unit O of Section 16, Township 10 South, Range 27 East, NMPM, All in Chaves County, New Mexico, on or before August 15, 1977, or return the same to active drilling or production status.

(2) That Kent Shannon and American Employers' Insurance Company, prior to plugging and abandoning the above-described wells, shall obtain from the Artesia office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Artesia office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

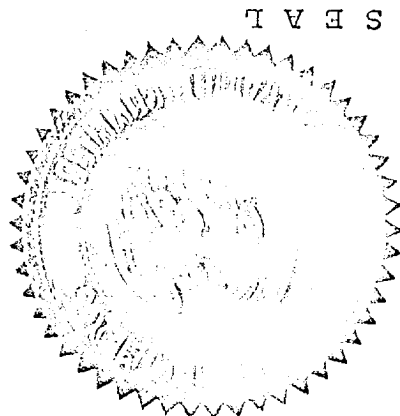
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramsey
JOE D. RAMSEY, Member & Secretary



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