

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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ("DIVISION") ON ITS OWN MOTION TO PERMIT CHARLES W. HARLE, OPERATOR, AMERICAN EMPLOYERS' INSURANCE COMPANY, SURETY, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE CHRISTOPHER WELL NO. 1 (API NO. 30-005-60591), LOCATED IN CHAVES COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

CASE NO. 11255
ORDER NO. R-10406

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 18, 1995 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 30th day of June, 1995, the Division Director, having considered 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) At the time of the hearing Case Nos. 11253, 11254, and 11255 were consolidated for the purpose of presenting testimony.
- (3) The witness in this matter, Ray Smith, Deputy Oil and Gas Inspector for the Division, testified via telephone from the New Mexico Oil Conservation Division District Office in Artesia, New Mexico.
- (4) Charles W. Harle of Sonora, Texas was the last known owner and operator of the Christopher Well No. 1 (API No. 30-005-60591), located 330 feet from the North line and 2310 feet from the East line (Unit B) of Section 32, Township 6 South, Range 26 East, NMPM, Chaves County, New Mexico.

(5) American Employers' Insurance Company is the surety on a \$5,000.00 one-well plugging bond on which Charles W. Harle is principal.

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

(7) The Christopher Well No. 1 has not produced hydrocarbon substance or has otherwise been inactive for more than one year, and no permit for temporary abandonment has been requested by the operator or approved by the Division.

(8) By virtue of the failure to use the subject well for a beneficial purpose or to have an approved current temporary abandonment permit, the well is presumed to have been abandoned.

(9) The current condition of the Christopher Well No. 1 is such that if action is not taken to properly plug and abandon this well, waste may occur, correlative rights may be violated, and/or fresh water may be contaminated.

(10) American Employers' Insurance Company was represented by legal counsel at the hearing, who requests that the company, or agents thereof, be allowed a period of sixty days to attempt to solicit interested parties and possibly transfer ownership of the subject well.

(11) In the event a new owner/operator of the subject well is not secured in the prescribed time period, the Supervisor of the Division's Artesia District Office should be authorized to direct the commencement of plugging operations on the subject well.

IT IS THEREFORE ORDERED THAT:

(1) The Charles W. Harle Christopher Well No. 1 (API No. 30-005-60591), located 330 feet from the North line and 2310 feet from the East line (Unit B) of Section 32, Township 6 South, Range 26 East, NMPM, Chaves County, New Mexico shall be plugged and abandoned in accordance with a program approved by the Artesia District Office of the New Mexico Oil Conservation Division.

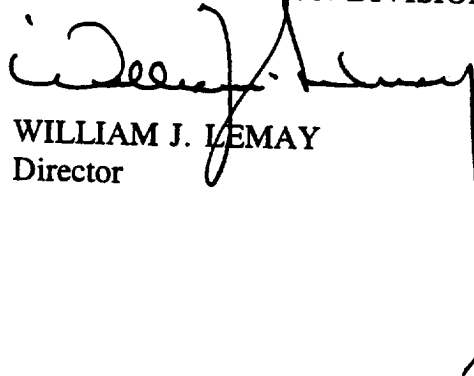
(2) No action will be taken for a period of sixty days from the day and year of the issuance of this order, to allow American Employers' Insurance Company, or agents thereof, ample time to transfer ownership of the subject well to a prudent operator authorized to operate in the State of New Mexico, for subsequent completion or plugging and abandonment of the well.

(3) In the event a new owner/operator of the subject well is not secured in the prescribed time period, the Division shall plug the Christopher Well No. 1 and foreclose upon the bond issued by American Employers' Insurance Company in the amount of the actual cost of plugging the subject well.

(4) 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



WILLIAM J. LEMAY
Director

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