

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT HIXON DEVELOPMENT COMPANY, NATIONAL SURETY CORPORATION, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE CENTRAL BISTI UNIT WELLS NOS. 41, 46, 47, 49 AND 50 LOCATED IN UNITS D, I, K, M, AND O, RESPECTIVELY, OF SECTION 16, TOWNSHIP 25 NORTH, RANGE 12 WEST, BISTI-LOWER GALLUP POOL, SAN JUAN COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

CASE NO. 5796
Order No. R-5345

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 10, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of January, 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 Hixon Development Company is the owner and operator of the Central Bisti Unit Wells Nos. 41, 46, 47, 49 and 50 located in Units D, I, K, M, and O, respectively, of Section 16, Township 25 North, Range 12 West, NMPM, Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.

(3) That National Surety Corporation is the surety on the Oil Conservation Commission plugging bond on which Hixon Development Company is principal.

(4) That said bond is to assure the state that the subject wells will be properly plugged when abandoned.

(5) That said five Central Bisti Unit Wells have not been produced for at least ten years.

(6) That said wells are located in a geographic area characterized by well casing failures.

(7) That said Central Bisti Unit Well No. 41 has experienced a casing failure and is currently scheduled for repair.

(8) That there is a high probability that the remainder of the said wells have also experienced casing failures.

(9) That there are substantial hydrocarbon reserves remaining in the Bisti-Lower Gallup Oil Pool in the area of said wells.

(10) That in their current state said wells may present the opportunity for hydrocarbons or waters to escape from the strata in which they are found into other strata or to be commingled with fluids from other strata.

(11) That such escape or commingling can result in waste of oil and gas and/or the contamination of water resources.

(12) That to prevent the waste of oil and gas and/or the contamination of water resources said Central Bisti Unit Wells Nos. 41, 46, 47, 49, and 50 should be plugged and abandoned in accordance with a Commission approved plugging program, returned to active production, or tested for casing failure and repaired where necessary on or before July 15, 1977.

IT IS THEREFORE ORDERED:

(1) That Hixon Development Company and National Surety Corporation are hereby ordered to plug and abandon the Central Bisti Unit Wells Nos. 41, 46, 47, 49 and 50, located in Units D, I, K, M, and O, respectively, of Section 16, Township 25 North, Range 12 West, NMPM, San Juan County, New Mexico, on or before July 15, 1977.

PROVIDED HOWEVER, that as an alternative to plugging and abandonment, Hixon Development Company may on or before July 15, 1977, return any or all of said wells to active production;

PROVIDED FURTHER, that as a second alternative to plugging and abandonment, Hixon Development Company may on or before July 15, 1977, test any or all of said wells for casing leaks and continue any sound or properly repaired well in temporarily abandoned status in accordance with appropriate Commission Rules and Regulations.

(2) That Hixon Development Company and National Surety Corporation, prior to plugging and abandoning the above-described wells, shall obtain from the Aztec office of the Commission, a Commission-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 Commission may, at its option, witness such work.

(3) That Hixon Development Company shall notify the Aztec district office of the Commission before returning to production or performing casing tests on any of the above described wells in order that the Commission may, at its option, witness such work.

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

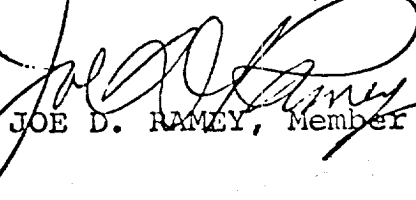
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

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