

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 8864
Order No. R-8223

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION DIVISION ON ITS OWN MOTION
TO PERMIT SUNTEX ENERGY CORPORATION, FIDELITY
AND DEPOSIT COMPANY OF MARYLAND, AND OTHER
INTERESTED PARTIES TO APPEAR AND SHOW CAUSE
WHY SIX CERTAIN WELLS IN TOWNSHIP 28 NORTH,
RANGE 1 EAST, RIO ARriba COUNTY, NEW MEXICO,
SHOULD NOT BE PLUGGED AND ABANDONED IN
ACCORDANCE WITH A DIVISION APPROVED PLUGGING
PROGRAM

RECEIVED

AUG 25 1986

OIL CON. DIV.
DIST. 3

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 2, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 19th day of May, 1986, 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) At the time of the hearing Division Cases Nos. 8862, 8863, and 8864 were consolidated for purposes of testimony.

(3) Suntex Energy Corporation is the owner and operator of the following described wells all in Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.

Suntex Well No. 1
1824 feet from the North line and 570 feet from the West line (Unit E) of Section 26;

Suntex Well No. 2
660 feet from the South line and 365 feet from the East line (Unit P) of Section 22;

Suntex Well No. 3
1858 feet from the North line and 1800 feet from the West
line (Unit F) of Section 14;

Suntex Well No. 4
935 feet from the North line and 1650 feet from the West
line (Unit C) of Section 23;

Suntex Well No 5
2004 feet from the South line and 2310 feet from the West
line (Unit K) of Section 11; and,

Suntex Well No. 6
1980 feet from the South line and 660 feet from the West
line (Unit L) of Section 23.

(4) Fidelity and Deposit Company of Maryland is the surety on each of the Oil Conservation Division one well plugging bonds issued on the above-described wells.

(5) The purpose of said bond is to assure the state that the subject wells will be properly plugged and abandoned when they are no longer capable of commercial production.

(6) The current condition of each of said wells 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 same or return them to production.

(7) In order to prevent waste, to protect correlative rights, and to protect fresh waters, the above-described wells 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 June 30, 1986, or the wells should be returned to active drilling status or placed on production.

IT IT THEREFORE ORDERED THAT:

(1) Suntex Energy Corporation and Fidelity and Deposit Company of Maryland are hereby ordered to plug and abandon the following described wells in Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico on or before June 30, 1986.

Suntex Well No. 1
1824 Feet from the North line and 570 feet from the West
line (Unit E) of Section 26;

Suntex Well No. 2
660 feet from the South line and 365 feet from the
East line (Unit P) of Section 22;

Suntex Well No. 3
1858 feet from the North line and 1800 feet from the
West line (Unit F) of Section 14;

Suntex Well No. 4
935 feet from the North line and 1650 feet from the
West line (Unit C) of Section 23;

Suntex Well No. 5
2004 feet from the South line and 2310 feet from the
West line (Unit K) of Section 11; and,

Suntex Well No. 6
1980 feet from the South line and 660 feet from the
West line (Unit L) of Section 23.

(2) Suntex Energy Corporation and/or Fidelity and Deposit Company of Maryland, prior to plugging and abandoning the above-described wells, shall obtain from the Aztec District Office of the Division, a Division-approved program for said plugging and abandoning, and shall notify the Aztec Office of the date and hour said work is to be commenced so that the Division may witness such work.

(3) In the alternative, the Supervisor of the Division's district office at Aztec may permit any of said wells to be completed or recompleted as a producer provided that an acceptable plan for such work is filed with the district office prior to June 30, 1986, and provided that such work shall be completed within 180 days following entry of this order.

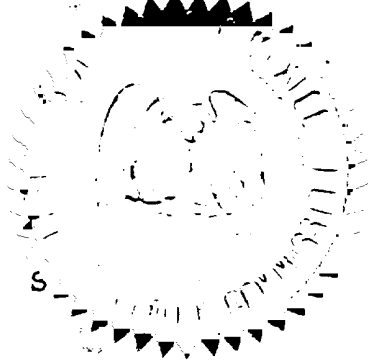
(4) Any such well failing to be completed or recompleted within such time period shall be plugged and abandoned as provided above within 60 days following the close of said 180 days following entry of this order.

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

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. Stamets
R. L. STAMETS,
Director