

Entered July 26, 1982
JGR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 7542
Order No. R-6978

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT BENSON-MONTIN-GREER DRILLING CORPORATION, HARTFORD ACCIDENT AND INDEMNITY COMPANY, AND ALL INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE FOLLOWING WELLS: DUSTIN NO. 1, LOCATED IN UNIT K, SECTION 6, AND THE GALLEGOS CANYON UNIT NO. 2, LOCATED IN UNIT K, SECTION 35, BOTH IN TOWNSHIP 29 NORTH, RANGE 12 WEST, AND THE SEGAL NO. 1, LOCATED IN UNIT K, SECTION 10, AND THE PRICE NO. 1, LOCATED IN UNIT N, SECTION 15, BOTH IN TOWNSHIP 31 NORTH, RANGE 13 WEST, SAN JUAN COUNTY, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH DIVISION-APPROVED PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 12, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 26th day of July, 1982, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.
- (2) That Benson-Montin-Greer Drilling Corporation is the owner and operator of the Dustin No. 1, located in Unit K, Section 6, Township 29 North, Range 12 West, and the Segal No. 1, located in Unit K, Section 10, and the Price No. 1, located in Unit N, Section 15, both in Township 31 North, Range 13 West, San Juan County, New Mexico.
- (3) That Hartford Accident and Indemnity Company is the surety on the Oil Conservation Division plugging bond on which Benson-Montin-Greer Corporation 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.
- (5) That the Gallegos Canyon Unit Well No. 2 was never transferred from the ownership of Benson-Montin and said well is covered by no plugging bond at this time.

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(6) That 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 or lost if action is not taken to properly plug and abandon the same or return them to production.

(7) That there is some evidence that one or more of said wells may be successfully completed as producers within approximately 180 days.

(8) That in order to prevent waste and protect correlative rights said 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 October 30, 1982.

(9) That in the alternative the Supervisor of the Division's district office at Aztec may accept, on or before October 30, 1982, an acceptable plan to complete or recomplete any of said wells as a producer within 180 days following entry of this order.

IT IS THEREFORE ORDERED:

(1) That Benson-Montin-Greer Drilling Corporation and Hartford Accident and Indemnity Company are hereby ordered to plug and abandon the Dustin No. 1, located in Unit K, Section 6, Township 29 North, Range 12 West, and the Seal No. 1, located in Unit K of Section 10, and the Price No. 1, located in Unit N, Section 15, both in Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico on or before October 30, 1982.

(2) That Benson-Montin-Greer Drilling Corporation and Hartford Accident and Indemnity Company, prior to plugging and abandoning the above-described wells, 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) That 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 such office prior to October 30, 1982, 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 day period.

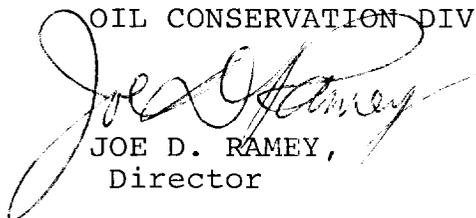
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(5) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY,
Director

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