

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

Application of the Oil Conservation Division to permit Knights Bridge Petroleum Corporation and all other interested parties to appear and show cause why the Triple Crown Well No. 1, Quay County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE NO. 9610

COMES NOW, District Supervisor for District IV of the Oil Conservation Division and applies to the Division Director for an order authorizing the Division to plug the Triple Crown No. 1 Well and in support thereof makes the following statements:

1. Knights Bridge Petroleum Corporation, (hereinafter called "operator") is the operator of the Triple Crown Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 6, Township 9 North, Range 31 East, Quay County, New Mexico.

2. Knights Bridge Petroleum Corporation, as operator, has posted a one-well cash bond in the amount of \$10,000 in compliance with Section 70-2-14 N.M.S.A. 1978 and Rule 101 of the Rules and Regulations of the Oil Conservation Division, which bond is conditioned upon compliance with the Statutes of the State of New Mexico and the Rules and Regulations of the

Division with respect to the proper plugging and abandonment of the well operated by said operator.

3. Operator has deposited with the First National Bank of Tucumcari the sum of \$10,000 in Certificate of Deposit No. 01 50618 8 30 and has assigned said account to the Oil Conservation Division as security for said bond.

4. The Triple Crown Well No. 1 has not produced hydrocarbon substance for more than six months, and no permit for temporary abandonment has been requested by the operator or approved by the Division.

5. Knights Bridge Petroleum Corporation has filed Chapter 11 Bankruptcy in the United States Bankruptcy Court for the Northern District of Texas, and W. Douglas Bailey is the Trustee in Bankruptcy in said proceeding and is entitled to notice hereof.

6. By virtue of the failure to obtain production or to have an approved current temporary abandonment permit, the Triple Crown Well No. 1 is presumed to have been abandoned.

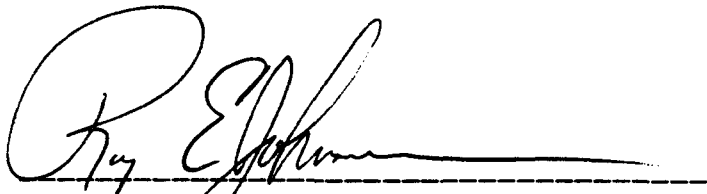
WHEREFORE, The Supervisor of District IV of the Oil Conservation Division applies to the Director to enter an order:

1. Determining whether or not the Triple Crown Well No. 1 should be plugged in accordance with a Division-approved plugging program.

2. Upon determination that said well should be plugged directing Knights Bridge Petroleum Corporation as Operator to plug said Triple Crown Well No. 1 within 45 days of the date of the Director's order.

3. Further ordering that if operator fails to plug and abandon said well as ordered by the Director, that the Division be authorized to plug said well and to forfeit said bond, and make demand upon First National Bank of Tucumcari for the proceeds of said Certificate of Deposit.

4. For such other relief and the Division deems appropriate.



ROY JOHNSON, Supervisor, District IV