

Filed 11/8/94

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION THROUGH THE SUPERVISOR OF DISTRICT III FOR AN ORDER REQUIRING THE BARBARA WELL NO. 1 LOCATED 760 FSL AND 810 FEL, UNIT P, SECTION 12; THE DAVIE WELL NO. 1 LOCATED 330 FSL AND 870 FWL, UNIT M, SECTION 2; THE MOORE WELL NO. 1 LOCATED 1980 FNL AND 660 FWL, UNIT E, SECTION 12; THE TRS-EV WELL NO. 1 LOCATED 2130 FNL AND 810 FEL, UNIT H, SECTION 11; THE BOB BLANCHE WELL NO. 1 LOCATED 1830 FSL AND 660 FWL, UNIT L, SECTION 12; THE DOROTHY WELL NO. 1 LOCATED 1840 FSL AND 520 FEL, UNIT I, SECTION 11; AND THE NEILSON WELL NO. 1 LOCATED 240 FSL AND 330 FEL, UNIT P, OF SECTION 3, ALL IN TOWNSHIP 29 NORTH, RANGE 15 WEST, NMPM, SAN JUAN COUNTY, NEW MEXICO, TO BE PROPERLY PLUGGED, AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND ORDERING A FORFEITURE OF THE PLUGGING BOND IF ANY.

CASE NO. 11144

APPLICATION FOR PLUGGING AND
FORFEITURE OF BOND

1. S&I Oil Co. (hereinafter called "Operator") is the operator of the following wells located in Township 29 North, Range 15 West, NMPM, San Juan County, New Mexico:

Barbara Well No. 1 located 760 FSL and 810 FEL, Unit P, Section 12;

Davie Well No. 1 located 330 FSL and 870 FWL, Unit M, Section 2;

Moore Well No. 1 located 1980 FNL and 660 FWL, Unit E, Section 12;

TRS-EV Well No. 1 located 2130 FNL and 810 FEL, Unit H, Section 11;

Bob Blanche Well No. 1 located 1830 FSL and 660 FWL, Unit L, Section 12;

Dorothy Well No. 1 located 1840 FSL and 520 FEL, Unit I, Section 11; and,

Neilson Well No. 1 located 240 FSL and 330 FEL, Unit P, Section 3.

2. S&I Oil Co., as Operator, has posted a blanket surety bond in the amount of \$50,000 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. American Employers' Insurance Company is surety on said bond, Bond No. AE 71351 78.

4. The subject wells have not produced hydrocarbon substances or have otherwise been inactive for more than one year or are no longer usable for beneficial purposes and no permit for temporary abandonment has been requested by the Operator and approved by the Division.

5. By virtue of the failure to use the wells for beneficial purposes or to have an approved current temporary abandonment permit, the subject wells are presumed to have been abandoned and are required to be plugged.

6. By authority of Section 70-2-12 N.M.S.A. 1978, the Rules and Regulations of the Division require wells which are inactive for more than one year or are no longer usable for beneficial purposes to be properly plugged.

7. Demand has been made upon the Operator to either place the subject wells to beneficial use, obtain approval for temporary abandonment or properly plug and abandon the same and the Operator has failed to do so.

8. Marmac Petroleum Co., Denver, Colorado, and JC Well Service, Farmington, New

Mexico, may have acquired an interest in the subject wells.

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

1. Determining whether or not the wells should be plugged in accordance with a Division approved plugging program.

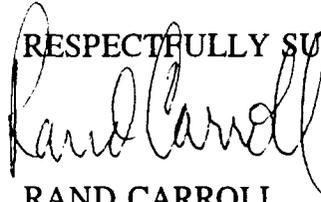
2. Upon determination that said wells should be plugged directing S&I Oil Co. as Operator to plug said wells within 45 days of the date of the Director's order.

3. Further ordering that if Operator fails to plug said wells as ordered by the Director, that the Division be authorized:

- a. to plug said wells;
- b. to declare forfeiture on said bond and to take such action to foreclose on said bond; and
- c. to recover from the Operator any costs of plugging in excess of the amount of the bond.

4. For such other and further relief as the Division deems just and proper.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "Rand Carroll". The signature is written in a cursive style with a large initial "R" and "C".

RAND CARROLL

Legal Counsel

New Mexico Oil Conservation Division

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