

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

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL  
CONSERVATION DIVISION ON ITS  
OWN MOTION TO PERMIT THE  
OPERATOR, H. W. PACE, AMERICAN  
MANUFACTURER'S MUTUAL  
INSURANCE COMPANY, SURETY,  
AND ALL OTHER INTERESTED  
PARTIES TO APPEAR AND SHOW  
CAUSE WHY THE PAT STATE WELL  
NO. 1, LOCATED IN UNIT P OF  
SECTION 30, TOWNSHIP 10 SOUTH,  
RANGE 27 EAST, NMPM, CHAVES  
COUNTY, NEW MEXICO, SHOULD  
NOT BE PLUGGED AND ABANDONED  
IN ACCORDANCE WITH A DIVISION  
APPROVED PLUGGING PROGRAM.**

**CASE NO. 11500  
Order No. R-10675**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This cause came on for hearing at 8:15 a.m. on March 21, 1996, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 1st day of October, 1996, 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) The witness in this matter, Mr. Ray Smith, Deputy Oil and Gas Inspector for the Division, testified via telephone from Artesia, New Mexico.

(3) H. W. Pace is the last known owner and operator of the Pat State Well No. 1 (API No. 30-005-60590) located 330 feet from the South line and 660 feet from the East line (Unit P) of Section 30, Township 10 South, Range 27 East, NMPM, Chaves County, New Mexico.

(4) According to Division records, the Pat State Well No. 1 was drilled in 1979 by H. W. Pace to a total depth of approximately 1,016 feet. The well was completed as follows:

7 5/8 inch surface casing was set at 386 feet and cemented with 140 sacks Class C. Cement was circulated to surface;

5 1/2-inch production casing was set at 1,014 feet and cemented with 110 cubic feet Pozmix. Cement was circulated to surface;

Well was perforated from 842'-926' in the Queen formation and initially tested at a rate of 4 BOPD and 1.8 BWPD.

(5) Division records further indicate that the Pat State Well No. 1 cumulatively produced 391 barrels of oil from the Rabbit Flats-Queen Pool, and that the well last produced in July, 1982.

(6) By virtue of its inactivity, the Pat State Well No. 1 is presumed to have been abandoned.

(7) The current condition of the Pat State Well No. 1 is such that if action is not taken to properly plug and abandon this well, waste may occur, correlative rights may be violated, and/or fresh water may be contaminated.

(8) The Pat State Well No. 1 is currently covered by a \$5,000.00 one well plugging bond (Bond No. 9SE064857) held by American Manufacturer's Mutual Insurance Company. H. W. Pace is the principal on this bond.

(9) All attempts by the Division thus far to contact H. W. Pace have been unsuccessful.

(10) Neither H. W. Pace nor American Manufacturer's Mutual Insurance Company appeared at the hearing in this matter.

(11) No other interested parties appeared at the hearing in this matter.

(12) H. W. Pace should be given 45 days from the date of this order to commence plugging operations on the Pat State Well No. 1 in a manner approved by the supervisor of the Division's Artesia District Office.

(13) In the event H. W. Pace fails to commence plugging operations on the Pat State Well No. 1 within 45 days from the date of this order, the supervisor of the Division's Artesia District Office should be authorized to direct the commencement of plugging operations on the subject well as soon as possible.

(14) The Division Director should be authorized to take such action as is deemed necessary to foreclose on the subject plugging bond to help defer such plugging cost accrued by the Division.

**IT IS THEREFORE ORDERED THAT:**

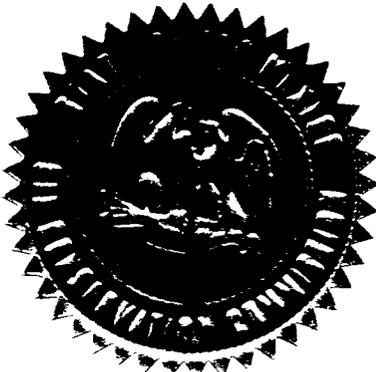
(1) Within 45 days from the date of this order, H. W. Pace shall commence plugging operations on the Pat State Well No. 1 (API No. 30-005-60590) located 330 feet from the South line and 660 feet from the East line (Unit P) of Section 30, Township 10 South, Range 27 East, NMPM, Chaves County, New Mexico, in a manner approved by the supervisor of the Division's Artesia District Office.

(2) In the event H. W. Pace fails to commence plugging operations on the Pat State Well No. 1 within 45 days from the date of this order, the supervisor of the Division's Artesia District Office shall direct the commencement of plugging operations on the subject well as soon as possible.

(3) The Division Director shall take such action as is deemed necessary to foreclose on the American Manufacturer's Mutual Insurance Company \$5,000.00 plugging bond on which H. W. Pace is principal to help defer such plugging cost accrued by the Division.

(4) 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.



S E A L

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "William J. LeMay", is written over the typed name below.

William J. LeMay, Director