

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

CASE NO. 8863 (REOPENED)  
ORDER NO. R-8210-A

IN THE MATTER OF CASE 8863 BEING  
REOPENED UPON THE APPLICATION OF  
ALANA OIL AND GAS CORPORATION TO  
VACATE OR MODIFY DIVISION ORDER  
NO. R-8210 ENTERED IN SAID CASE  
8863, RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 9, 1987, at Santa Fe, New Mexico before Examiner Michael E. Stogner.

NOW, on this 9th day of December, 1987, 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 this case was consolidated with Reopened Cases Nos. 8864 and 9074 for the purpose of testimony.

(3) By Order No. R-8210, issued in Case 8863 and dated April 25, 1986, the Division ordered Alana Oil and Gas Corporation as the owner and the operator of the Samantha Wells Nos. 1, 2 and 3, located 1580 feet from the South line and 1202 feet from the West line (Unit L), 1985 feet from the South line and 2290 feet from the West line (Unit K), and 1105 feet from the South line and 2490 feet from the West line (Unit N), respectively, all in Section 26, Township 28 North, Range 1 East, NMPM, and the Alana Well No. 1 located 511 feet from the South line and 2144 feet from the West line (Unit N) of Section 11, Township 27 North, Range 1 East, NMPM, all in Rio Arriba County, New Mexico, and Fidelity and Deposit Company, as the surety on each of the Oil Conservation Division one well plugging bonds for said wells, to either plug and abandon or recomplete as producers each well on or before May 25, 1986.

(4) Subsequent to the original hearing date in this case (April 2, 1986) and prior to May 25, 1986, no effort by the

operator to either recomplate or complete the subject wells as producers was made, therefore, pursuant to the provisions of said Order No. R-8210 it became necessary for the Division's Aztec District Office to take the necessary steps to properly plug and abandon the subject wells.

(5) At this time the applicant, Alana Oil and Gas Corporation, seeks to either vacate or modify said Order No. R-8210 so that it may be allowed to either complete or recomplate the subject wells as producers.

(6) At the time of this hearing the applicant failed to present adequate testimony or evidence to show that it presently has sufficient capital to operate the subject wells.

(7) The applicant also failed to present sufficient evidence to support a finding that the subject wells could be operated in a prudent manner.

(8) Further delay in plugging the subject wells could increase the risk of waste occurring, correlative rights being violated, or the contamination of fresh waters.

(9) This application should therefore be denied and Division Order No. R-8210 should remain in full force and effect.

IT IS THEREFORE ORDERED THAT:

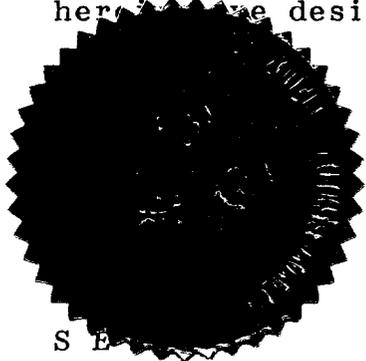
(1) The application of Alana Oil and Gas Corporation to vacate or modify Division Order No. R-8210, dated April 25, 1987, so that they may be allowed to either complete or recomplate the Samantha Wells Nos. 1, 2 and 3, located 1580 feet from the South line and 1202 feet from the West line (Unit L), 1985 feet from the South line and 2290 feet from the West line (Unit K), and 1105 feet from the South line and 2490 feet from the West line (Unit N), respectively, all in Section 26, Township 28 North, Range 1 East, NMPM, and the Alana Well No. 1 located 511 feet from the South line and 2144 feet from the West line (Unit N) of Section 11, Township 27 North, Range 1 East, NMPM, all in Rio Arriba County, New Mexico, is hereby denied.

(2) Said Order No. R-8210 shall remain in full force and effect.

(3) 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  
hereinafter designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

Handwritten signature of William J. Lemay in cursive script.

WILLIAM J. LEMAY  
Director

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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

CASE NO. 8863  
Order No. R-8210

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT ALANA OIL AND GAS CORPORATION, FIDELITY AND DEPOSIT COMPANY, AND OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THREE CERTAIN WELLS ON THEIR SAMANTHA LEASE IN SECTION 26, TOWNSHIP 28 NORTH, RANGE 1 EAST, AND A WELL ON THEIR ALANA LEASE IN SECTION 11, TOWNSHIP 27 NORTH, RANGE 1 EAST, ALL IN RIO ARRIBA COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION APPROVED PLUGGING PROGRAM

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 25th day of April, 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 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) Alana Oil & Gas Corporation is the owner and operator of the Samantha Wells Nos. 1, 2, and 3, located 1580 feet from the South line and 1202 feet from the West line (Unit L), 1985 feet from the South line and 2290 feet from the West line (Unit K), and 1105 feet from the South line and 2490 feet from the West line (Unit N), respectively, all in Section 26, Township 28 North, Range 1 East, NMPM, and the Alana Well No. 1 located 511 feet from the South line and 2144 feet from the West line (Unit N) of Section 11, Township 27 North, Range 1 East, NMPM, all in Rio Arriba County, New Mexico.

(4) Fidelity and Deposit Company is the surety on each of the Oil Conservation Division one well plugging bonds for 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 May 25, 1986, or the wells should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED THAT:

(1) Alana Oil and Gas Corporation and Fidelity and Deposit Company are hereby ordered to plug and abandon the Samantha Wells Nos. 1, 2, and 3 located 1580 feet from the South line and 1202 feet from the West line (Unit L), 1985 feet from the South line and 2290 feet from the West line (Unit K), and 1105 feet from the South line and 2490 feet from the West line (Unit N), respectively, all in Section 26, Township 28 North, Range 1 East, NMPM, and the Alana Well No. 1 located 511 feet from the South line and 2144 feet from the West line (Unit N) of Section 11, Township 27 North, Range 1 East, NMPM, all in Rio Arriba County, New Mexico on or before May 25, 1986.

(2) Alana Oil & Gas Corporation and Fidelity and Deposit 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 the Aztec office of the date and hour said work is to commence whereupon the Division may, at its option, witness such work.

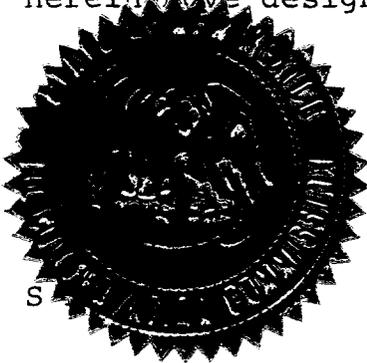
(3) In the alternative, the Supervisor of the Division's district office at Aztec may permit any of said wells to be completed or recompleted as a producer provided that an acceptable plan for such work is filed with such office prior to May 25, 1986, provided that such work shall be completed within 180 days following entry of this order.

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(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.

(5) 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

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