

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

CASE NO. 9187
ORDER NO. R-8514

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION ON ITS OWN
MOIION TO PERMIT EVANS PRODUCTION COMPANY,
AMERICAN MOTORISTS INSURANCE COMPANY, AND ALL
OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE
WHY FIVE CERTAIN WELLS IN MCKINLEY 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 August 12, 1987 and August 26, 1987, at Santa Fe, New Mexico, before Examiners Michael E. Stogner and David R. Catanach, respectively.

NOW, on this 18th day of September, 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) Evans Production Company is the owner and operator of the following five wells located in McKinley County, New Mexico:

Inditos Well No. 1 located 2310 feet from the North line and 330 feet from the East line (Unit H) of Section 15, Township 16 North, Range 9 West, NMPM;

Bullseye Well No. 2 located 540 feet from the South line and 1560 feet from the West line (Unit N) of Section 18, Township 16 North, Range 9 West, NMPM;

Bullseye Well No. 9 located 330 feet from the South line and 1650 feet from the East line (Unit O) of Section 18, Township 16 North, Range 9 West, NMPM;

Bullseye Well No. 8 located 330 feet from the North line and 990 feet from the West line (Unit D) of Section 19, Township 16 North, Range 9 West, NMPM; and,

Bullseye "A" Well No. 2 located 990 feet from the South and East lines (Unit P) of Section 13, Township 16 North, Range 10 West, NMPM.

(3) American Motorists Insurance Company is the surety on the Oil Conservation Division plugging bond on which Evans Production Company is principal.

(4) 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) 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.

(6) In order to prevent waste, to protect correlative rights, and 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 October 31, 1987, or the wells should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED THAT:

(1) Evans Production Company and American Motorists Insurance Company are hereby ordered to plug and abandon the following five wells, located in McKinley County, New Mexico, on or before October 31, 1987:

Inditos Well No. 1 located 2310 feet from the North line and 330 feet from the East line (Unit H) of Section 15, Township 16 North, Range 9 West, NMPM;

Bullseye Well No. 2 located 540 feet from the South line and 1560 feet from the West line (Unit N) of Section 18, Township 16 North, Range 9 West, NMPM;

Bullseye Well No. 9 located 330 feet from the South line and 1650 feet from the East line (Unit O) of Section 18, Township 16 North, Range 9 West, NMPM;

Bullseye Well No. 8 located 330 feet from the North line and 990 feet from the West line (Unit D) of Section 19, Township 16 North, Range 9 West, NMPM; and,

Bullseye "A" Well No. 2 located 990 feet from the South and East lines (Unit P) of Section 13, Township 16 North, Range 10 West, NMPM.

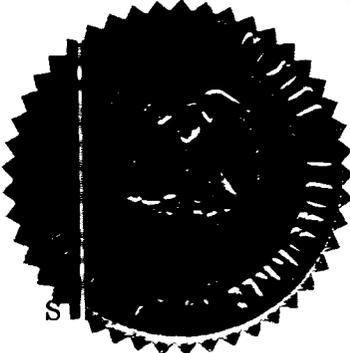
(2) Evans Production Company and American Motorists Insurance Company, prior to plugging and abandoning the above-described wells, shall obtain from the Aztec office of the Division, a Division-approved program for said plugging and abandoning and shall notify said Aztec office of the date and hour said work is to be commenced whereupon the Division may, at its option, witness such work.

(3) 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 31, 1987, provided that such work shall be completed within 180 days following entry of this order.

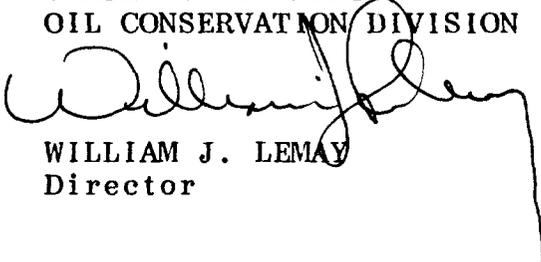
(4) Should either party fail or refuse to carry out such provisions in accordance with the terms of this order, the Division shall then take such actions as are deemed necessary to have the wells properly plugged.

(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


WILLIAM J. LEMAY
Director