

in which Sage Oil Company was principal.

(5) The purpose of said bond is to assure the Division that the subject well will be properly plugged and abandoned when not capable of commercial production.

(6) The Gulf State Well No. 1 has not produced hydrocarbon substance or has otherwise been inactive since 1978, and no permit for temporary abandonment has been requested by the operator or approved by the Division.

(7) By virtue of the failure to use the subject well for a beneficial purpose or to have an approved current temporary abandonment permit, the well is presumed to have been abandoned.

(8) Evidence indicates that Trinity Universal Insurance Company is bankrupt and no longer is in existence.

(9) The current condition of the subject well 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.

(10) Neither the operator, a representative from the surety, nor any other interested parties appeared at the hearing, either in support of or in opposition to this matter.

(11) The Gulf State Well No. 1, as described above, should be plugged and abandoned in accordance with a program approved by the supervisor of the Artesia District Office of the New Mexico Oil Conservation Division as soon as possible.

(12) Further, the Division Director should be authorized to take such action as is deemed necessary to foreclose on the subject plugging bond, if one still exists, to help pay for the plugging costs incurred by the Division.