

may be contaminated if action is not taken to properly plug and abandon the well.

(6) In order to prevent waste, protect correlative rights and prevent any fresh water contamination said Peterson Well No. 1 should be plugged and abandoned in accordance with a program approved by the Hobbs District Office of the New Mexico Oil Conservation Division on or before February 1, 1987, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED THAT:

(1) Casa Petroleum, Inc. and U.S. Insurance Group are hereby ordered to plug and abandon the Peterson Well No. 1, located 1980 feet from the North and West lines (Unit F) of Section 17, Township 4 South, Range 33 East, NMPM, Roosevelt County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before February 1, 1987.


(2) Casa Petroleum, Inc. and U.S. Insurance Group, prior to plugging and abandoning the above-described well, shall obtain from the Hobbs Office of the Division an approved plugging program and shall notify said Hobbs office of the date and hour said work is to be commenced, whereupon the division may, at its option, witness such work.

(3) Should Casa Petroleum and/or U.S. Insurance Group fail or refuse to properly plug and abandon the Peterson Well No. 1 in accordance with the terms of this order, the Division shall take such steps as are necessary to have the well properly plugged.

(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.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
R. L. STAMETS  
Director

SEAL

RECEIVED

JAN 7 1987

OCD  
HOBBS OFFICE