

CASE 4098: OCC to permit WALTER
J. NELSON to show cause why his
Nelson Lee Burns #1 should not
be plugged and abandoned.

Case Number.

4098

Application

Transcripts.

Small Exhibits

ETC.

12-30-69

Talked to Mr. Lyons
of the Claims Dept.
Concerning the failure
of Fulton to get on
with the plugging.
Lyons said he would
contact Fulton again
and notify this office
of the results. ~~GLS~~

3-5-70

Mr. Lyons advised
me by phone that Mr.
Fulton was going to
be on location Mon. morning
March 9 to plug the well.
Will be ready to set the
first plug about noon
Tues. March 10.
~~GLS~~

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6491 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

April 9, 1969

EXAMINER HEARING

IN THE MATTER OF:

Plugging and abandonment
of the Walter J. Nelson-
Lee Burns A Well No. 1,
Torrance County, New
Mexico.

Case 4098

BEFORE: DANIEL S. NUTTER, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Case 4098, in the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Walter J. Nelson and all other interested parties to appear and show cause why the Walter J. Nelson-Lee Burns A Well No. 1, located in Unit P of Section 31, Township 6 North, Range 8 East, Torrance County, New Mexico, should not be plugged and abandoned in accordance with the Commission approved plugging program.

Mr. Hatch, are you going to present this Case?

MR. HATCH: George Hatch, appearing on behalf of the Commission. I will have one witness, Mr. Kapteina. I believe there is a Mr. Burns here also. I don't know if he plans to testify.

MR. NUTTER: Did you want to testify in this Case, Mr. Burns?

MR. BURNS: No, sir, I just want to listen in.

MR. NUTTER: And make a statement possibly?

MR. BURNS: Possibly.

JAMES E. KAPTEINA

called as a witness by the Commission, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. HATCH:

Q Will you state your name and position for the record?

A James E. Kapteina, Petroleum Engineer, also Oil and Gas Inspector, District 4.

Q For the record, will you briefly describe your duties pertaining to the drilling, operating, plugging, and abandonment of the wells in District 4?

A It is my duty to keep in touch with drilling operations as they proceed, and prescribe or approve casing programs as far as surface casing, prescribe plugging programs, and approve temporary abandonment, and to inspect surface area after plugging has been completed.

Q Then it is one of your duties to make recommendations to the Commission concerning the plugging of wells located in District 4?

A Yes, it is my duty to prescribe a plugging program that will permanently confine all oil, gas, and water into separate strata originally contained in them, as stated in Rule 202 of the Commission's Rules and

Regulations.

Q Are you familiar with the purpose of Case 4098?

A Yes, I am.

Q Are you also familiar with the well that is the subject in Case 4098?

A I am familiar with the well, and I have the records that are required to be filed with the Commission in the regular conduct of its business.

Q Are you also familiar with the well from personal inspection?

A Yes, sir.

Q Do you have in your possession today the official records of the Commission concerning that?

A Yes, I have the file from Walter J. Nelson, operator, and the Lee Burns A No. 1 located in Unit P of Section 31, Township 6 North, Range 8 East, Torrance County, New Mexico.

Q Who is shown as the operator of the well?

A Walter J. Nelson.

Q Referring to your records, will you give a brief history of the well?

A Mr. Nelson filed the proper forms of an application for permit to drill said well. It was

approved by myself on November 22, 1966, and the well was spudded at 080 hours on the 24 of November, 1966.

8 5/8 inch surface casing was set at 266 feet, and cemented with 174 sacks, Portland type cement. 5 1/2 inch casing was set at 2,858 feet, and cemented with 320 sacks Portland type cement. 5 1/2 inch casing is landed in a brazehead with slip and seal assembly installed on the 19th of December, 1966.

The last drilling reported on this well was, last operations on this well were reported on the neighborhood of June 23, 1967. The drilling ceased on the 19th December, or after they drilled the cement plug out at casing, it was set on the 19th of December.

Q What year?

A 1967 -- or 1966, excuse me.

Q The last activity you know of was in --

A Continued to June 23, 1967, at which time he was perforating and testing.

Q That would be more than 60 days from the present time?

A Yes.

Q What is the present status of the well?

A The well was inspected by myself in the latter part of August, the exact date, I don't know, but there was --

Q What year was that?

A 1967. In August of 1967, at that time there was no rig on the hole. There was a lot of Nelson's equipment around, but nothing on the hole.

Q Have you made any demand that the well be plugged?

A Yes, sir. I made a demand on September 21st that the well be plugged.

Q Has anything been done in response to your demand?

A In response to that demand, the operator asked for a temporary abandonment, and was granted a period of, I think, 6 months that the well be permitted to be temporarily abandoned.

Q That would have expired when?

A He was granted until April, 1968. In April of 1968, Mr. Nelson requested for an additional 6 months period for temporary abandonment, and this was discussed with the Secretary-Director of the Commission and the

chief engineer of the Commission staff and it was the consensus of their opinion that a 6 month extension should not be allowed. Mr. Nelson was given until July 15, 1968 to resume operations on the well, and given a reasonable length of time thereafter in which to complete the operations, and if he failed to resume operations by July 15, the bonding company would be called to plug the well.

Q Did he resume operations?

A He did not.

Q From your records or from your personal investigation, did this well encounter any water sands?

A From personal investigation, I found from Mr. Aken, who is a farmer in the next section, I believe he has an offset to the east, he had a water well that was affected during the times that Mr. Nelson had tried to acidize the top two perforations, or the top two zones of perforations.

Q What is the depth of the water well?

A The depth of the water well of Mr. Aken is in the neighborhood of 325 feet.

Q In your opinion, is this subject well a dry hole or abandoned hole?

A In my opinion, it is both, yes, dry and abandoned.

A If the subject well is left in its present condition, is there any danger that crude oil or natural gas, or water will escape from the strata from which they are found into other strata?

A I am sure it is acid that went into the other water zones, that the water could travel back into the zones already perforated below.

Q In your opinion, should the well be plugged?

A The well should be plugged, in my opinion.

Q Do you have a recommended plugging program?

A I recommended a plugging program, or I should say a plugging program was recommended to Mr. Walter J. Nelson by Attorney Hatch on January 3, 1969, and I would offer --

Q Would you read it out into the record?

A All right, sir. This is addressed to Walter J. Nelson, 2072 Marc, Salina, Kansas.

Gentlemen:

Mr. J. E. Kapteina, Oil and Gas Inspector,
District IV, Oil Conservation Commission,

Santa Fe, New Mexico, has set a plugging program for the subject well as follows:

1. Cement the interval from 2,852 feet back to 1,614 feet with at least 155 sacks of cement.
2. Set a 15 sack cement plug on top of the 5 1/2 inch casing stub.
3. Cement the interval from 350 feet back to 250 feet with at least 25 sacks of cement.
4. Set a 25 foot cementplug at the surface.
5. Fill the intervals between plugs with heavy mud.
6. Set in the surface plug a regulation steel marker not less than 4 inches in diameter and extending at least 4 feet above mean ground level.

Q Is that essentially the same plugging program you would still recommend?

A Yes, this is the plugging program that I recommend.

MR. HATCH: Let's mark one of those as an exhibit and introduce it.

MR. NUTTER: The Commission's Staff Exhibit No. 1 will be admitted into evidence.

(Thereupon, Commission's Exhibit No. 1 was admitted in evidence.)

MR. HATCH: I would like also the Examiner to take administrative notice of the Commission's record on this well.

MR. NUTTER: The Commission will take administrative notice of the records on this particular well.

MR. HATCH: That is all the question I have. Mr. Burns or Mr. Kapteira may have some comments to make.

MR. KAPTEINA: I wish to add at this time, Mr. Hatch and Mr. Examiner, that I just received a call from one Mr. Powell, who is connected with the Surety Company. He called me just a few minutes ago from Albuquerque, and he had been in contact with Mr. Nelson at 4 o'clock yesterday and was asked to come to this hearing, but he said he could not get here, and saw no point in getting here, inasmuch as Mr. Nelson said the Surety Company would have to plug the well, because he would be unable to. And he talked to Mr. Burns, Mr. Burns being the land owner, and had a verbal

agreement with Mr. Nelson that that well would be left as a water well, which is in agreement with the rules and regulations. And Mr. Burns also talked to Mr. Powell about this problem, and if the Commission demands that the well be plugged by the Surety Company, they will reach an agreement with Mr. Burns on leaving the well as a water well.

I believe that is correct, isn't it?

MR. BURNS: As far as I know, yes.

MR. NUTTER: Mr. Kapteina, what is the status of this 5 1/2 inch casing in this well? Is that cemented or just hanging there from the brazenhead?

MR. KAPTEINA: Mr. Nutter, the 5 1/2 inch casing was landed at 2,858 feet, and cemented with 320 sacks. When I prepared this plugging program, I believe that I reached a decision that the outside of this cement came somewhere in the neighborhood of 1,614 feet, or the top perforations was below this 1,614 feet; that either this top perforations or the next to top perforation, the exact location I don't have, the cement did not reach there because when they pumped acid into the perforated zone --

MR. NUTTER: What is that uppermost perforated interval?

MR. KAPTEINA: The uppermost perforated interval was in the neighborhood of 1,650 feet, or somewhere in there.

MR. NUTTER: Acidized that interval, and it affected the water well completed at 300 feet in the next section?

MR. KAPTEINA: Yes, And this man had been pumping the well for 13 years, and had no adverse conditions such as sanding up or anything, and his well went off and was sanded up, and also he got thread dope out of his water well. He had a sample of the water taken at the time his well went down, and --

MR. NUTTER: Did it show any signs of acid?

MR. KAPTEINA: Didn't show any signs of acid at that time. Travelling that distance, it would have been completely dissipated.

MR. NUTTER: But thread dope came through the formation?

MR. KAPTEINA: Yes, sir, thread dope came into his water well. And I doubt if it was there for 13 years

without showing up. And this is the only well in the neighborhood, so the conclusion was reached that is where it came from.

MR. NUTTER: How long after the acid treatment in the Nelson well did this adverse effect show up on the other well?

MR. KAPTEINA: This adverse effect was shown during the time it was being treated.

MR. NUTTER: Immediately after the acid?

MR. KAPTEINA: Immediately, yes.

MR. NUTTER: So, Mr. Kapteina, the 5 1/2 inch casing has been cemented in with 320 sacks, you stated, and your calculated fillup would be back up to 1,600 feet?

MR. KAPTEINA: No, it would not come up to 1,600 feet, Mr. Nutter, because this was -- cement plug was recommended to reach at least 20 feet or so above the top perforations in the 5 1/2 inch casing. It is doubtful that there is cement on the outside. On two occasions, the uppermost, which was in the neighborhood of 1,625, 1,950, and below that, the acid treatment had an effect on the water well. On two occasions, it wasn't just the last occasion, but it was on two occasions. The uppermost is when he got thread dope.

MR. NUTTER: And the same plugging program that Mr. Hatch prescribed in his letter after consultation with you, and which was sent to U.S. Fidelity and Guaranty Company, and to Mr. Nelson in the letter of January 3rd, would you still prescribe that same plugging program?

MR. KAPTEINA: I would prescribe the same plugging program to the point to where the plug is from 350 feet to 250 feet. In checking with the State engineer, the lowest water found in this area is in the neighborhood of 275 feet. There is no where down there is there any water being produced from below 350 feet, and it is from 4 miles away from this well. So it could be the same water found at 275 in this well, or in the wells being produced in this section.

MR. NUTTER: Now, this is the plugging program you recommend for plugging the well from top to bottom?

MR. KAPTEINA: Yes.

MR. NUTTER: And you will still prescribe that?

MR. KAPTEINA: Yes, sir.

MR. NUTTER: Is there an alternative program?

In the event the land owner in this area should desire

to use this well as a water well, would you have an alternative program then?

MR. KAPTEINA: Yes, sir.

MR. NUTTER: What would that be, Mr. Kapteina?

MR. KAPTEINA: To replace the cement plug from 350 to 250, and place a cement plug from 400 to 350.

That would be deep enough.

MR. BURNS: I think, so. I don't know whether there is water down there or not.

MR. KAPTEINA: Mr. Burns would like to have this well left open to a point of 500 feet. If this would be permissible, then we would plug from 500 to 550.

MR. NUTTER: We were on an alternative program.

MR. KAPTEINA. This would be the alternative.

MR. NUTTER: Mr. Burns, you are the landowner in which this well is located, is that correct?

MR. BURNS: Yes.

MR. NUTTER; Is this fee land?

MR. BURNS: No, sir, it is patented land.

MR. NUTTER; Patented land, the same thing.

You do have the water rights in this area?

MR. BURNS: I haven't filed any water rights in

this particular --

MR. NUTTER: But you would have authority to complete a water well?

MR. BURNS: I think I would have to see the State Engineer to complete a water well.

MR. NUTTER: But in the event the Commission should prescribe an alternative program to the complete plugging of the well from top to bottom, you would be willing to accept the responsibility of the well, if it were plugged back to some point at which you could take it over and make a water well of it, is that correct?

MR. BURNS: Well, I would say from 500 feet up.

MR. NUTTER: And you would be willing to accept full responsibility of the well from 500 feet up, then?

MR. BURNS: Yes.

MR. NUTTER: Do you have anything further, Mr. Hatch?

MR. HATCH: No.

MR. NUTTER: Does anyone have anything they wish to offer in this Case 4098? The witness may be

excused. The case will be taken under advisement. We
will call next Case No. 4078.

I N D E XWITNESSPAGE

JAMES E. KAPTEINA

Direct Examination by Mr. Hatch

3

EXHIBITMARKEDADMITTED IN
EVIDENCECommission's Exhibit
No. 1

10

10

STATE OF NEW MEXICO)
) ss.
 COUNTY OF BERNALILLO)

I, SAMUEL MORTELETTE, Court Reporter in
 and for the County of Bernalillo, State of New Mexico,
 do hereby certify that the foregoing and attached
 Transcript of Hearing before the New Mexico Oil
 Conservation Commission was reported by me, and that
 the same is a true and correct record of the said
 proceedings, to the best of my knowledge, skill and
 ability.

Samuel Mortelette

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 7098
 heard by me on 4/13, 1969.

Samuel Mortelette, Examiner
 New Mexico Oil Conservation Commission

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. <u>7098</u>
CASE NO. <u>7098</u>

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT WALTER J. NELSON AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE WALTER J. NELSON LEE BURNS "A" WELL NO. 1, LOCATED IN UNIT P OF SECTION 31, TOWNSHIP 6 NORTH, RANGE 8 EAST, NMPM, TORRANCE COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

CASE No. 4098
Order No. R 5750

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 9, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Mutter.

NOW, on this 8th day of May, 1969, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That Walter J. Nelson is the owner and operator of the Walter J. Nelson Lee Burns "A" Well No. 1, located in Unit P of Section 31, Township 6 North, Range 8 East, NMPM, Torrance County, New Mexico.

(3) That the Walter J. Nelson Lee Burns "A" Well No. 1 has been abandoned and should be plugged in order to confine permanently all oil, gas, and/or water in the separate strata originally containing them in order to prevent waste and protect correlative rights.

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CASE No. 4098

Order No. R-3750

IT IS THEREFORE ORDERED:

(1) That Walter J. Nelson is hereby ordered to plug the Walter J. Nelson Lee Burns "A" Well No. 1, located in Unit P of Section 31, Township 6 North, Range 8 East, MMPM, Torrance County, New Mexico, in accordance with either of the following minimum plugging programs:

A. If subject well is not to be converted to a water well.

1. Cement the interval from 2852 feet back to 1614 feet with at least 155 sacks of cement.
2. Shoot 5 1/2-inch casing off at approximately 1600 feet and set a 15-sack cement plug on top of casing stub.
3. Cement the interval from 350 feet back to 250 feet with at least 25 sacks of cement.
4. Set a 25-foot cement plug at the surface.
5. Fill the intervals between plugs with heavy mud.
6. Set in the surface plug a regulation steel marker not less than 4 inches in diameter and extending at least 4 feet above mean ground level.

B. If subject well is to be converted to a water well.

1. Cement the interval from 2852 feet back to 1614 feet with at least 155 sacks of cement.
2. Shoot 5 1/2-inch casing off at approximately 1600 feet and set a 15-sack cement plug on top of casing stub.
3. Cement the interval from 550 feet back to 500 feet with at least 15 sacks of cement.

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CASE No. 4098
Order No. R-3750

4. Fill the intervals between plugs with heavy mud.
5. Transfer well to landowner for use as a water well in accordance with the provisions of Rule 203 of the Commission Rules and Regulations.

(2) That Walter J. Nelson shall complete plugging operations on the above-described well on or before June 30, 1969, and shall notify the Oil and Gas Inspector, District 4, Oil Conservation Commission, P. O. Box 2088, Santa Fe, New Mexico, of the exact date and time plugging operations are to commence.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMILLO, Member


A. L. PORTER, Jr., Member & Secretary


esr/

Docket No. 10-69

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 9, 1969

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or
Elvis A. Utz, Alternate Examiner:

- CASE 4092: Application of Phillips Petroleum Company for a capacity allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the assignment of a capacity allowable to its U. S. Minerals Well No. 4 located in the SW/4 SE/4 of Section 30, Township 17 South, Range 33 East, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico. Said well offsets a waterflood project operated by Cities Service Oil Company.
- CASE 4093: Application of BTA Oil Producers for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the intervals from approximately 12,240 feet to 12,275 feet in its State "E" Well No. 1 and from approximately 12,088 feet to 12,164 feet in its State "E" Well No. 2 located, respectively, in Units F and C of Section 5, Township 10 South, Range 36 East, adjacent to the West Crossroads-Devonian Pool, Lea County, New Mexico.
- CASE 4094: Application of Cayman Corporation for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from approximately 4184 feet to 4274 feet in its Hondo-State Well No. 1 located in Unit F of Section 31, Township 7 South, Range 33 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico.
- CASE 4095: Application of Tom Schneider for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Rustler formation in the perforated interval from approximately 1320 feet to 1340 feet in his SWD Well No. 1 located in Unit O of Section 16, Township 23 South, Range 36 East, Jalmat Yates-Seven Rivers Pool, Lea County, New Mexico.
- CASE 4096: Application of Kersey & Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project

(Case 4096 continued)

by the injection of water into the Seven Rivers formation through four wells located in Units C, D, and F of Section 25, Township 17 South, Range 28 East, Aid (Yates-Seven Rivers) Pool, Eddy County, New Mexico.

CASE 4097: Application of Western States Producing Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Smelting-State Well No. 1, located in Unit F of Section 9, Township 12 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the East Bagley-Pennsylvanian Pool and the disposal of produced salt water through the intermediate casing-production casing annulus into the San Andres, Glorieta, Tubb, Abo, and possibly other formations in the interval from approximately 4199 feet to 8931 feet.

CASE 4098: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Walter J. Nelson and all other interested parties to appear and show cause why the Walter J. Nelson Lee Burns "A" Well No. 1 located in Unit P of Section 31, Township 6 North, Range 8 East, Torrance County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.


CASE 4078: (Continued from the March 26, 1969 Examiner Hearing) Application of J. Gregory Merrion for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Devils Fork-Gallup Pool and an undesignated Mesaverde oil pool in the well-bore of his NCRA State Well No. 3 located in Unit L of Section 16, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.


INSTRUCTIONS TO DELIVERING EMPLOYEE	
<input type="checkbox"/> Show to whom and when delivered	<input type="checkbox"/> Show to whom, when, and address where delivered
<input type="checkbox"/> Deliver ONLY to addressee	
(Additional charges required for these services)	
RECEIPT	
Received the numbered article described below.	
REGISTERED NO.	SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in)
CERTIFIED NO. 635800	Walter J. Nelson
INSURED NO.	SIGNATURE OF ADDRESSEE'S AGENT, IF ANY
DATE DELIVERED	Hilton E. Edwards
	SHOW WHERE DELIVERED (only if requested)
MAY 12 1969	E E

605-16-71548-7 GPO

INSTRUCTIONS TO DELIVERING EMPLOYEE	
<input type="checkbox"/> Show to whom and when delivered	<input type="checkbox"/> Show to whom, when, and address where delivered
<input type="checkbox"/> Deliver ONLY to addressee	
(Additional charges required for these services)	
RECEIPT	
Received the numbered article described below.	
REGISTERED NO.	SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in)
CERTIFIED NO.	WST-74
INSURED NO.	SIGNATURE OF ADDRESSEE'S AGENT, IF ANY
DATE DELIVERED	L. R. H.
5-12-69	SHOW WHERE DELIVERED (only if requested)

605-16-71548-7 GPO

POST OFFICE DEPARTMENT OFFICIAL BUSINESS		PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, 50%	
Mr. Walter J. Nelson 2072 MWC Salina, Kansas 67401		POSTMARK OF DELIVERING OFFICE 	
INSTRUCTIONS: Fold along lines and attach label and complete instructions on other side, where applicable. Machine processed cards, attach and hold firmly to back of article. Place on front of article RETURN RECEIPT REQUESTED.		RETURN TO	
NAME OF SENDER OIL CONSERVATION COMMISSION			
STREET AND NO. OR P.O. BOX P. O. BOX 2088			
CITY, STATE, AND ZIP CODE SANTA FE, NEW MEXICO 87501			
Letter 5/9/69 - Order R-3750			

POST OFFICE DEPARTMENT OFFICIAL BUSINESS		PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, 50%	
United States Fidelity & Guaranty Company Surety Claim Department Attn: Mr. J. A. Lyons, Sr. P. O. Box 2282, Albuquerque, N.M.		POSTMARK OF DELIVERING OFFICE 	
INSTRUCTIONS: Fold along lines and attach label and complete instructions on other side, where applicable. Machine processed cards, attach and hold firmly to back of article. Place on front of article RETURN RECEIPT REQUESTED.		RETURN TO	
NAME OF SENDER OIL CONSERVATION COMMISSION			
STREET AND NO. OR P.O. BOX P. O. Box 2088			
CITY, STATE, AND ZIP CODE SANTA FE, NEW MEXICO 87501			
Letter 5/9/69 - Order R-3750			

• "WE BUY AND SALVAGE WELLS" •

Artesia Casing Pullers

C. O. (CAP) FULTON, OWNER

P. O. Box 1121

712 CLAYTON AVE.

DIAL 74 4682

ARTESIA, NEW MEXICO 88206

April 8, 1970

APR 8 1970

Mr. James Kapteina
New Mexico Oil & Gas Cons. Comm.
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Kapteina,

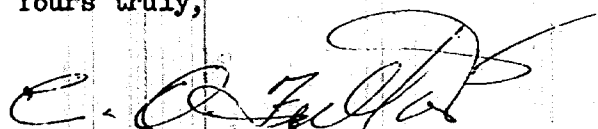
Re: Walter J. Nelson, Well
Estancia, New Mexico

Please be advised that I talked to Mr. Lee Burns, Landowner, on the above mentioned well and he advised me that the pits had been back-filled to his satisfaction and the location is ready for your inspection.

Your inspection and final approval on this well to Mr. James Lyons, Supt. of Claims, United States Fidelity and Guaranty Company, 301 San Mateo Blvd. S. E., Albuquerque will be appreciated.

Working with you on the well has been a pleasure and I wish to thank you for your patience and understanding on this matter.

Yours truly,



C.O. Fulton

CC. Mr. James A. Lyons, Supt. Claims
United States Fidelity and Guaranty Company
301 San Mateo Blvd., S.E.
Albuquerque, New Mexico

COF/ rmf



UNITED STATES FIDELITY AND GUARANTY COMPANY

ALBUQUERQUE BRANCH OFFICE
PETER DIGANGI, JR., CPCU, MANAGER
301 SAN MATEO BLVD., S.E.
ALBUQUERQUE, NEW MEXICO 87109
TELEPHONE: 505/265-7854

APR 3 1970
AM 8 16

JAMES A. LYONS
SUPT. OF CLAIMS

April 2, 1970

Mr. J. E. Kapteina
Oil and Gas Inspector, Dist. IV
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Dear Sir:

We are herewith returning the original Affidavit of
Responsibility completed as per your instructions.

Very truly yours,

James A. Lyons
Superintendent

JAL/ts
Encl.

*affidavit in
case file*

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

March 26, 1970

Mr. J. A. Lyons
Superintendent
United States Fidelity & Guaranty Company
Surety Claim Department
P. O. Box 8253
Albuquerque, New Mexico

Re: Walter J. Nelson Lee Burns "A" Well
No. 1, located in Unit P of Section 31,
Township 6 North, Range 8 East, NMPM,
Torrance County, New Mexico — \$10,000
Blanket Plugging Bond, United States
Fidelity & Guaranty Company

Dear Mr. Lyons:

Mr. J. E. Kapteina, Oil and Gas Inspector, District IV,
witnessed the conversion of the above-described well to the
status of a water well on March 23, 1970, in accordance with
the provisions of Commission Order No. R-3750.

As your company assumed the plugging responsibility
upon the failure of Mr. Walter J. Nelson to comply with the
provisions of said Order No. R-3750, I believe it would be
proper for you to complete the enclosed forms. Please
return the original to this office.

When the pits have been filled and the location levelled
and cleared of junk, the above-described plugging bond can be
cancelled if that is your wish.

Thank you for your cooperation in this matter.

Very truly yours,

GEORGE M. HATCH
Attorney

GMM/esr
Enclosures

cc: Mr. Walter J. Nelson
815 Pentwood Drive
Salina, Kansas

Mr. J. E. Kapteina
Oil and Gas Inspector, Dist. IV
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico



OCT 21 1969

UNITED STATES FIDELITY AND GUARANTY COMPANY

ALBUQUERQUE BRANCH OFFICE
PETER DIGANGI, JR., CPCU, MANAGER
301 SAN MATEO BLVD., S.E.
ALBUQUERQUE, NEW MEXICO 87108
TELEPHONE: 255-265-7884

October 20, 1969

JAMES A. LYONS
SUPT. OF CLAIMS

JAL

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. George M. Hatch, Attorney

Re: 63-S-773 - State of New Mexico - Walter J. Nelson

Dear Mr. Hatch:

This is in reply to your letter of October 14, 1969 relative to the plugging of Lee Burns A Well No. 1.

We were in contact with Mr. C. O. Fulton of Artesia Casing Pullers and he has advised us that he intends to be at the well site in approximately two weeks.

By copy of this letter to Mr. Fulton, we are asking that he notify you or Mr. Kapteina so that your department can make the necessary inspection as the plugging progresses.

Sincerely,

J. A. Lyons
J. A. Lyons
Superintendent
CLAIMS DEPARTMENT

JAL/mc

cc: Mr. J. E. Kapteina,
Oil and Gas Inspector
District No. 4
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

cc: Artesia Casing Pullers
P. O. Box 1121
Artesia, New Mexico 88210

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

October 14, 1969

United States Fidelity & Guaranty Company
Surety Claim Department
P. O. Box 8253
Albuquerque, New Mexico

Attention: Mr. J. A. Lyons

Re: Walter J. Nelson Lee Burns "A" Well
No. 1, located in Unit P of Section 31,
Township 6 North, Range 8 East, NMPM,
Torrance County, New Mexico - \$10,000
Blanket Plugging Bond, United States
Fidelity & Guaranty Company

Gentlemen:

Copies of your correspondence with Mr. C. O. Fulton of
Artesia, New Mexico, concerning the above-described well
indicated that you expected the well to be plugged early in
October, 1969. Will you please advise me of the present
plans as Mr. Kapteina, the Oil and Gas Inspector for District
IV is very anxious to have the work completed before additional
damage can occur.

Very truly yours,

GEORGE M. HATCH
Attorney

GMH/esr

cc: Mr. J. E. Kapteina
Oil and Gas Inspector, District IV
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

C
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27A
August 22, 1969

Artesia Casing Pullers
P. O. Box 1121
Artesia, New Mexico 88210

Re: 63-S-773 - Walter J. Nelson - State of New Mexico

Attention: Mr. C. O. (Cap) Fulton

Dear Mr. Fulton:

This will acknowledge our conversation of August 22, 1969 wherein we discussed the plugging of Lee Burns "A" Well No. 1 located in Unit P of Section 31 Township 6N, Range 8E, NMPM Torrance County, New Mexico.

We also discussed the bid that you presented on August 2, 1969 wherein you suggested a bid of \$2,850 for one method of plugging and \$2,785 for the second method of plugging. As we discussed in our conversation, you agreed that you would plug the well for \$2,000 and retain the pipe recovered under either method selected by the landowner and/or the State of New Mexico.

You advised that your work program at this time is such that you would be unable to plug the well until approximately six weeks or on or about the first part of October 1969. You also advised that when you were able to move onto the location that you would inform the responsible party with the State of New Mexico so that they would be available for their necessary inspection. Please drop me a note approximately one week prior to the anticipated time that you will

Artesia Casing Pullers

2.

August 22, 1969

be able to move onto the location.

Sincerely,

J. A. Lyons
Superintendent
CLAIMS DEPARTMENT

JAL/mc

cc: H. O. Fidelity-Surety-Burglary Claim
Ray Britt

cc: Walter J. Nelson
815 Pentwood Drive
Salina, Kansas

cc: State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. A. L. Porter, Jr.

August 7, 1969

MAILED
'69 AUG 8 PM 1 11

Mr. Walter J. Nelson
815 Pentwood Drive
Salina, Kansas

Re: 63-S-773 - Walter J. Nelson - State of New Mexico

Dear Mr. Nelson:

Attached is a copy of the bid that I have received from the Artesia Casing Fullers which reflects a cost for the two methods allowed by the State Oil Conservation Commission for the plugging of the Burns Well.

As the state is quite anxious to have something done in this matter, I will proceed along the lines suggested in the bid as presented within ten days unless you establish that you are capable of doing the plugging on your own behalf in a manner that is acceptable to the State of New Mexico.

Sincerely,

J. A. Lyons
Superintendent
CLAIMS DEPARTMENT

JAL/mc
Encl.

cc: H. O. Fidelity-Surety-Burglary Claim
Ray Britt

cc: State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501
Attn: Mr. A. L. Porter, Jr.

• "WE BUY AND SALVAGE WELLS" •

Artesia Casing Pullers

C. O. (CAP) FULTON, OWNER

P. O. BOX 1121 712 CLAYTON AVE. DIAL 746.4682
ARTESIA, NEW MEXICO 88210

August 2, 1969

Mr. J. A. Lyons
Supt. Claims Dept.
United States Fidelity and Guaranty Co.
301 San Mateo Blvd., S. E.
Albuquerque, New Mexico

Dear Mr. Lyons:

Re: 63-S-773 - State of New Mex.-
Walter J. Nelson


Thank you very much for your letter of July 16, 1969
in regard to the above well to be plugged for you.

After reviewing the two alternate plans on plugging, I
wish to advise that I submit my bid as follows;

- Plan A. Plug said well in accordance with New Mexico Oil and Gas Commission requirements, set forth in their directive attached to your letter, for a fee of \$2,850.00. Should you care to do so, I will take the 5½" casing recovered and give you credit on your bill in the amount of .60¢ per ft.
- Plan B. Plug said well meeting all requirements for the amount of \$2,785.00, and of course allow you the same option on trade of the 5½" casing.

Thank you very much for the opportunity to bid on this well and if I am the successful bidder I would appreciate your letting me know at your earliest convenience. I will need a few days to schedule this work and of course file my insurance with you if you so desire.

Very truly yours



C. O. Fulton

MAIN OFFICE
10 8 AM 17 JUL 69

July 16, 1969

JAL

~~Mr. O. O. Fulton~~
P. O. Box 1121
Artesia, New Mexico

Re: 63-S-773 - State of New Mexico - Walter J. Nelson

Dear Mr. Fulton:

You will recall in January you and I discussed the fact that there was distinct possibility that we, as the bonding company, would be called upon to plug a well in Torrance County, New Mexico.

In the event that you would be interested in plugging this well for the bonding company, we attach for your purposes a copy of the order of the commission which you will note sets forth two suggested methods of satisfying the order. I would therefore appreciate your giving me a bid on plugging the well in the two alternatives as established in the order. After I have received this information, I will be in contact with the landowner and the state to inform the parties involved as to how we propose that the plugging be accomplished.

Sincerely,

J. A. Lyons
J. A. Lyons
Superintendent
CLAIMS DEPARTMENT

JAL/mc

cc: H. O. Fidelity-Surety-Burglary Claim
Ray Britt

cc: State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501
Attention: Mr. A. L. Porter, Jr.

cc: Walter J. Nelson
815 Pentwood Drive
Salina, Kansas

Thurs. - June 26 - 1969

~~He~~ Talked with Mr. Lyons of U.S. Fidelity
& Guaranty Co. - Albuquerque today
Concerning the plugging of the ~~to~~ Nelson well.
He had talked last night with Nelson
who informed him that he was raising
money to do more work on the well. Nelson's
att'y is to get in touch with Lyons
or the Commissioner.

George M. Hatch

POST OFFICE DEPARTMENT
- 1000-000-00000000

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE AND
FEE

United States Fidelity & Guaranty Co.
Surety Claim Dept.
P. O. Box 8253

Albuquerque, New Mexico

INSTRUCTIONS: Show name and address below and
signature, if possible, on other side, where applicable.
If you want a return receipt, check here and hold receipt to back
of envelope. If you want a return receipt, check here and hold receipt to back
of envelope. If you want a return receipt, check here and hold receipt to back
of envelope.



NAME OF ADDRESSEE

OIL CONSERVATION COMMISSION

STREET AND NO. OF BOX

P. O. BOX 7088

ONE

CITY, STATE, AND ZIP CODE

ALBUQUERQUE, N. MEXICO

Ltr 7-10-69 - Order R-3750

RECEIPT FOR CERTIFIED MAIL—20¢

United States Fidelity & Guaranty Co.
Surety Claim Dept.

STREET AND NO.
P. O. Box 8253

CITY, STATE, AND ZIP CODE
Albuquerque, New Mexico

Attn: Mr. J. A. Lyons

7-11-69
11-10-69

☐ 10¢ shows to whom and when delivered
☐ 35¢ shows to whom, when, and address where delivered

If you want delivery only to addressee, check here
☐ 50¢ fee

FEES ADDITIONAL TO 20¢ FEE

POD Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)
NOT FOR INTERNATIONAL MAIL
Ltr 7-10-69 - Order R-3750

No. 635802

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 10, 1969

**CERTIFIED - RETURN
RECEIPT REQUESTED**

**C
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United States Fidelity & Guaranty Company
Surety Claim Department
P. O. Box 8253
Albuquerque, New Mexico

Attention: Mr. J. A. Lyons

Re: Walter J. Nelson Lee Burns "A" Well
No. 1, located in Unit P of Section 31,
Township 6 North, Range 8 East, NMPM,
Torrance County, New Mexico - \$10,000
Blanket Plugging Bond, United States
Fidelity & Guaranty Company

Gentlemen:

After notice and hearing, Walter J. Nelson was ordered, by Order No. R-3750, dated May 8, 1969, to plug the above-described well in accordance with a plugging program set forth in said order on or before June 30, 1969.

As Mr. Nelson has not complied with said order, the New Mexico Oil Conservation Commission hereby makes demand upon the United States Fidelity & Guaranty Company, as surety on the above-described plugging bond, to plug the subject well in accordance with said Order No. R-3750 within a reasonable period of time.

Please notify the Oil and Gas Inspector, District 4, Oil Conservation Commission, P. O. Box 2088, Santa Fe,

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

-2-

July 10, 1969

United States Fidelity & Guaranty Company
Surety Claim Department
P. O. Box 8253
Albuquerque, New Mexico

C
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New Mexico, of the date and time plugging operations are to begin so that he may witness same.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/GMH/esr
Enclosure (Copy of
Order No. R-3750)

cc: Mr. Walter J. Nelson
2072 Marc
Salina, Kansas

Mr. J. E. Kapteina
Oil and Gas Inspector, District 4
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

No. 635800

RECEIPT FOR CERTIFIED MAIL—20¢

SENT TO Mr. Walter J. Nelson		POSTMARK OR DATE 5/9/69
STREET AND NO. 2072 Marc		
CITY, STATE, AND ZIP CODE Salina, Kansas 67401		
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered		If you want delivery only to addressee, check here <input type="checkbox"/> 50¢ fee
FEES ADDITIONAL TO 20¢ FEE		
POD Form 3800 July 1962 NO INSURANCE COVERAGE PROVIDED— (See other side) Letter 5/9/69 - Order R-3750		

RECEIPT FOR CERTIFIED MAIL—20¢

SENT TO United States Fidelity & Guaranty Company		POSTMARK OR DATE 5/9/69
STREET AND NO. Attn: Mr. J. A. Lyons, Supt.		
CITY, STATE, AND ZIP CODE P.O. Box 8253 Albuquerque, New Mexico		
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered		If you want delivery only to addressee, check here <input type="checkbox"/> 50¢ fee
FEES ADDITIONAL TO 20¢ FEE		
POD Form 3800 July 1962 NO INSURANCE COVERAGE PROVIDED— (See other side) Letter 5/9/69 - Order R-3750		

No. 635801

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

May 9, 1969

CERTIFIED - RETURN
RECEIPT REQUESTED

Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

Re: Case No. 4098
Order No. R-3750

Dear Mr. Nelson:

I am enclosing herewith a certified copy of the above order which requires you to plug your Lee Burns "A" Well No. 1, located in Unit P of Section 31, Township 6 North, Range 8 East, NMPM, Torrance County, New Mexico.

Please note that the plugging operations must be completed on or before June 30, 1969, and that you must notify the Oil and Gas Inspector, District 4, Oil Conservation Commission, Santa Fe, New Mexico, of the exact date and time plugging operations are to commence.

Very truly yours,

GEORGE M. HATCH
Special Assistant
Attorney General

GMH/esr
Enclosure

cc: United States Fidelity & Guaranty Company
Surety Claim Department
Attention: Mr. J. A. Lyons, Superintendent
P. O. Box 8253
Albuquerque, New Mexico

Mr. J. E. Kapteina
Oil and Gas Inspector, District 4
Oil Conservation Commission
Santa Fe, New Mexico

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OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

May 9, 1969

**CERTIFIED - RETURN
RECEIPT REQUESTED**

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United States Fidelity & Guaranty Company
Surety Claim Department
Attention: Mr. J. A. Lyons, Superintendent
P. O. Box 8253
Albuquerque, New Mexico

Re: Case No. 4098
Order No. R-3750

Gentlemen:

I am enclosing herewith a certified copy of the
above order concerning Mr. Walter J. Nelson, Principal,
under United States Fidelity & Guaranty Company \$10,000
Blanket Plugging Bond on file with the Commission.

Very truly yours,

GEORGE M. HATCH
Special Assistant
Attorney General

GME/esr
Enclosure

cc: Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

Mr. J. E. Kapteina
Oil and Gas Inspector, District 4
Oil Conservation Commission
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

May 9, 1969

CERTIFIED - RETURN
RECEIPT REQUESTED

Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

Re: Case No. 4098
Order No. R-3750

Dear Mr. Nelson:

I am enclosing herewith a certified copy of the above order which requires you to plug your Lee Burns "A" Well No. 1, located in Unit P of Section 31, Township 6 North, Range 8 East, NMPM, Torrance County, New Mexico.

Please note that the plugging operations must be completed on or before June 30, 1969, and that you must notify the Oil and Gas Inspector, District 4, Oil Conservation Commission, Santa Fe, New Mexico, of the exact date and time plugging operations are to commence.

Very truly yours,

GEORGE M. BATCH
Special Assistant
Attorney General

GMB/esr
Enclosure

cc: United States Fidelity & Guaranty Company
Surety Claim Department
Attention: Mr. J. A. Lyons, Superintendent
P. O. Box 8253
Albuquerque, New Mexico

Mr. J. E. Kapteina
Oil and Gas Inspector, District 4
Oil Conservation Commission
Santa Fe, New Mexico

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OIL CONSERVATION COMMISSION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

May 9, 1969

**CERTIFIED - RETURN
RECEIPT REQUESTED**

United States Fidelity & Guaranty Company
Surety Claim Department
Attention: Mr. J. A. Lyons, Superintendent
P. O. Box 8253
Albuquerque, New Mexico

Re: Case No. 4098
Order No. R-3750

Gentlemen:

I am enclosing herewith a certified copy of the
above order concerning Mr. Walter J. Nelson, Principal,
under United States Fidelity & Guaranty Company \$10,000
Blanket Plugging Bond on file with the Commission.

Very truly yours,

GEORGE M. HATCH
Special Assistant
Attorney General

GMH/esr
Enclosure

cc: Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

Mr. J. E. Kapteina
Oil and Gas Inspector, District 4
Oil Conservation Commission
Santa Fe, New Mexico

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MAY 3 1969

[Handwritten signature]

**STATE OF NEW MEXICO
STATE ENGINEER OFFICE
ALBUQUERQUE**

**S. E. REYNOLDS
STATE ENGINEER**

May 1, 1969

ADDRESS CORRESPONDENCE TO:
505 MARQUETTE AVE., N. W.
ALBUQUERQUE, N. M.
87101

FILE: 12.2.1

Mr. J.E. Kaptenia
Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Kaptenia:

Enclosed is a copy of Permit E-1660 issued to Mr. Lee Burns, to use as a stock well a deep exploration well in the Estancia Basin.

In particular note the condition that the test hole is to be plugged back to a point 500 feet below ground surface. This permit was so conditioned because of the following facts and assumptions:

The well apparently produces water under artesian pressure, and the quality of water which is produced is substantially inferior to the quality produced from other wells in the immediate area. Therefore, it is assumed that the poor quality water is produced from the portion of the hole which penetrates strata below the normal limit of stock, domestic and irrigation wells.

A study of the geophysical logs indicates that the available porosity of the formation between 260 feet (bottom of surface casing) and 500 feet should be sufficient to provide adequate water for a stock well.


In the event that the 240 feet of open hole between the surface casing and the plugged portion of the hole will not produce sufficient water for stock purposes the well owner has the option of penetrating the surface casing.

The financial obligation of the well owner would be less if the casing required perforation than it would be if the well were plugged at a deeper point and found to produce poor quality water; in which case the well owner would be obligated to plug an additional section of the well bore.

- 2 -

Your cooperation in this matter has been greatly appreciated.

Very truly yours,


J.L. Williams
Supervisor, District I

JTE:md

Encl: Copy of permit (1)

cc: Santa Fe
Mr. Lee Burns
St. Rt. Box A-10
Estancia, New Mexico

APPLICATION TO APPROPRIATE UNDERGROUND WATERS IN ACCORDANCE WITH SECTION 75-11-1 NEW MEXICO STATUTES (Three Acre Feet Per Annum)

HC In SF

JAVONTHA TO EMOTIONAL JAMES

1. Name and Address of Applicant: Lee Burns St. Rt., Box A-10 Estancia, New Mexico 87106 File No. E-1660

2. Describe well location under one of the following subheadings:
a. 1/4 SE 1/4 SE 1/4 of Sec. 31 Twp. 6-N. Rgn. 8-E N. M. P. M., in
Torrance County.
b. Tract No. _____ of Map No. _____ of the _____ District.
c. Lot No. _____ of Block No. _____ of the _____ Subdivision, of record in _____ County.
d. (Describe location by direction and distance from known land marks.) _____

3. Give street address or route and box No. of property upon which well is to be located, if possible: _____

4. Name of driller, if known: See remarks

5. Approximate depth of well (if known) _____ feet; outside diameter of casing _____ inches.

6. Use of water (check appropriate box or boxes):
☒ Household, trees, lawn and non-commercial garden not to exceed 1 acre.
☒ Livestock watering.
☐ Drinking and sanitary purposes or the irrigation of non-commercial trees, shrubs and lawns in conjunction with a commercial operation.
☐ Prospecting, mining or drilling operations to discover or develop natural resources.
☐ Construction of public works, highways and roads.
If any of the last three were marked, give name and nature of business under Remarks. (Item 7)

7. Remarks: Oil test well drilled as Walter J. Nelson Lee Burns "A"
Well No. 1 to be retained for domestic and stock use. Wish to
retain well to depth for best water quality.

I, Lee Burns affirm that the foregoing statements are true to the best of my knowledge and belief and that development shall not commence until approval of the permit has been obtained.

Lee Burns Applicant Date: April 9, 1969

By: _____

ACTION OF STATE ENGINEER

This application is approved for the use indicated, subject to all general conditions and to the specific conditions numbered 4 and 8 on the reverse side hereof. This permit will automatically expire unless this well is drilled or driven and the well record filed on or before April 15, 1970

S. E. Reynolds, State Engineer

By: [Signature]
Supervisor, Dist. 1
Date: April 10, 1969

RECEIVED
STATE ENGINEER'S OFFICE
APR 10 6- MAY 6 1969

APPLICATION TO APPROPRIATE UNDERGROUND WATERS
IN ACCORDANCE WITH SECTION 75-11-1 NEW MEXICO STATUTES
(Under Act of 1917)

GENERAL CONDITIONS OF APPROVAL

- A. The maximum amount of water that may be appropriated under this permit is 3.55A has and 1 acre feet in any period of one year.
- B. Well shall be drilled only by a driller licensed in the State of New Mexico in accordance with Section 75-11-13 New Mexico Statutes. A licensed driller shall not be required for the construction of a driven well; provided, that the casing shall not exceed two and three-eighths (2 3/8) inches outside diameter (Section 75-11-13).
- C. Driller's log must be filed in office of the State Engineer within 10 days after well is drilled or driven. Failure to file log within that time shall result in automatic cancellation of the permit. Upon request of the permittee, log forms will be provided by the State Engineer.
- D. Diameter of casing limited to 7 inch outside diameter except under specific conditions in which reasons satisfactory to the State Engineer are shown.
- E. Any use of water from the well other than as indicated shall automatically cancel this permit unless prior approval is obtained from the State Engineer.

SPECIFIC CONDITIONS OF APPROVAL (Applicable only when so indicated on the other side of this form)

1. Depth of well in no event to exceed the thickness of the valley fill or Ogallala formation.
2. Well to be constructed to artesian well specifications and State Engineer Office to be notified before casing is landed or cemented.
3. Appropriation and use of water under this permit limited for a definite period of not to exceed one year from the date of approval.
4. Limited to household, trees, lawn and non-commercial garden not to exceed one acre and/or stock use.
5. A totalizing meter approved by the State Engineer shall be installed on the discharge line before the first branch line prior to the appropriation of water and pumping records shall be submitted to the District Supervisor (a) for each calendar month, on or before the 30th day of the following month (b) on the 10th of January, April, July and October of each year for the three preceding calendar months (c) for each calendar year on or before the 30th day of January of the following year.
6. Well to be plugged upon completion of permitted use and plugging report filed within 10 days.
7. Final approval for the use of said well dependent upon a leakage test to be made by the State Engineer Office.

GENERAL INSTRUCTIONS

Application shall be executed in triplicate and forwarded with a \$1.00 filing fee to the appropriate office of the State Engineer.

- A separate application must be filed for each well to be drilled or used.
- If well to be used is an existing well to be retained for use as indicated, an explanation (and file number, if possible) should be given under Remarks. (Item 7).
- Applications for appropriation, well logs and request for information in the following basins should be addressed to the State Engineer at the office indicated:

Rio Grande, Bluewater and Estancia Basins
District No. 1, 505 Marquette, N. W., Rm 1023, Albuquerque, New Mexico

Roswell, Lea, Portales, Carlsbad, Hondo, Pecos and Jal Basins
District No. 2, Box 1717, Roswell, New Mexico

Mimbres, Hot Springs, Varden, Valley, Animas, Playas, Gila-San Francisco, San Simon, Lordsburg and Nutt-Hockett Basins
District No. 3, Box 844, Deming, New Mexico

8. Well shall be plugged from the bottom of the hole to a point 500 feet below land surface in accordance with Oil Conservation Commission specifications. Casing shall be reduced at the surface to a maximum outside diameter of 7 inches.

STATE OF NEW MEXICO

This application is approved for the use indicated and is subject to all conditions indicated on the reverse side of this permit. The permittee shall be notified of any conditions indicated on the reverse side of this permit.

By: _____

OIL CONSERVATION COMMISSION

P. O. BOX 2008

SANTA FE, NEW MEXICO 87501

January 3, 1969

CERTIFIED - RETURN
RECEIPT REQUESTED

Case 4098

Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

United States Fidelity & Guaranty Company
Surety Claim Department
c/o Mr. Lyle H. Talbot DOCKET MAILED
Lyle Talbot Agency, Inc.
1500 San Pedro N.E. Bldg.
Albuquerque, New Mexico

Re: Walter J. Nelson Lee Burns "A" Well No. 1,
located 660 feet from the South line and 660
feet from the East line of Section 31, Town-
ship 6 North, Range 8 East, NMPM, Torrance
County, New Mexico — \$10,000 Blanket Plugging
Bond, United States Fidelity & Guaranty Company

Gentlemen:

Mr. J. E. Kapteina, Oil and Gas Inspector, District IV,
Oil Conservation Commission, Santa Fe, New Mexico, has set a
plugging program for the subject well as follows:

1. Cement the interval from 2852 feet back
to 1614 feet with at least 155 sacks of
cement.
2. Set a 15-sack cement plug on top of the
5 1/2-inch casing stub.

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
<i>Staff</i>	EXHIBIT NO. <u>1</u>
CASE NO. <u>4098</u>	

OIL CONSERVATION COMMISSION

P. O. BOX 2088

-2-

SANTA FE, NEW MEXICO 87501

January 3, 1969

Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

United States Fidelity & Guaranty Company
Surety Claim Department
c/o Mr. Lyle H. Talbot
Lyle Talbot Agency, Inc.
1500 San Pedro N.E.
Albuquerque, New Mexico

3. Cement the interval from 350 feet back to 250 feet with at least 25 sacks of cement.
4. Set a 25-foot cement plug at the surface.
5. Fill the intervals between plugs with heavy mud.
6. Set in the surface plug a regulation steel marker not less than 4 inches in diameter and extending at least 4 feet above mean ground level.

*place
cmt
plug
400-350*

If the aforesaid plugging has not been accomplished by March 1, 1969, the Commission will docket a case concerning the matter.

Very truly yours,

GEORGE M. HATCH
Special Assistant
Attorney General

GHI/esr

cc: Mr. J. E. Kapteina
Oil and Gas Inspector, District IV
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

C
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OCT 21 1969

October 20, 1969

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. George M. Hatch, Attorney

Re: 63-S-773 - State of New Mexico - Walter J. Nelson

Dear Mr. Hatch:

This is in reply to your letter of October 14, 1969 relative to the plugging of Lee Burns A Well No. 1.

We were in contact with Mr. C. O. Fulton of Artesia Casing Pullers and he has advised us that he intends to be at the well site in approximately two weeks.

By copy of this letter to Mr. Fulton, we are asking that he notify you or Mr. Kapteina so that your department can make the necessary inspection as the plugging progresses.

Sincerely,

J. A. Lyons
J. A. Lyons
Superintendent
CLAIMS DEPARTMENT

JAL/mc

cc: Mr. J. E. Kapteina,
Oil and Gas Inspector
District No. 4
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

cc: Artesia Casing Pullers
P. O. Box 1121
Artesia, New Mexico 88210

827-2741
827-2533
Dec. 2, 1969, I talked to
Mr. Fulton by phone and
he advised me that he
hoped to be on location to
plug the first part of the
following week.
George

Water Rights Section 2424 -

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 3, 1969

CERTIFIED - RETURN
RECEIPT REQUESTED

Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

United States Fidelity & Guaranty Company
Surety Claim Department
c/o Mr. Lyle H. Talbot
Lyle Talbot Agency, Inc.
1500 San Pedro N.E.
Albuquerque, New Mexico

Re: Walter J. Nelson Lee Burns "A" Well No. 1,
located 660 feet from the South line and 660
feet from the East line of Section 31, Town-
ship 6 North, Range 8 East, NMPM, Torrance
County, New Mexico — \$10,000 Blanket Plugging
Bond, United States Fidelity & Guaranty Company

Gentlemen:

Mr. J. E. Kapteina, Oil and Gas Inspector, District IV,
Oil Conservation Commission, Santa Fe, New Mexico, has set a
plugging program for the subject well as follows:

1. Cement the interval from 2852 feet back
to 1614 feet with at least 155 sacks of
cement.
2. Set a 15-sack cement plug on top of the
5 1/2-inch casing stub.

file - Case 4098

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 3, 1969

-2-

Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

United States Fidelity & Guaranty Company
Surety Claim Department
c/o Mr. Lyle H. Talbot
Lyle Talbot Agency, Inc.
1500 San Pedro N.E.
Albuquerque, New Mexico

3. Cement the interval from 350 feet back to 250 feet with at least 25 sacks of cement.
4. Set a 25-foot cement plug at the surface.
5. Fill the intervals between plugs with heavy mud.
6. Set in the surface plug a regulation steel marker not less than 4 inches in diameter and extending at least 4 feet above mean ground level.

If the aforesaid plugging has not been accomplished by March 1, 1969, the Commission will docket a case concerning the matter.

Very truly yours,

GEORGE M. HATCH
Special Assistant
Attorney General

GMM/esr

cc: Mr. J. E. Kapteina
Oil and Gas Inspector, District IV
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

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OIL CONSERVATION COMMISSION

P. O. BOX 2082

SANTA FE, NEW MEXICO 87501

April 3, 1969

Mr. Walter J. Nelson
2072 Marc
Salina, Kansas

Re: Walter J. Nelson
Lee Burns "A" Well No. 1
Torrance County, New Mexico

Dear Mr. Nelson:

In reference to your letters of March 3 and April 1, 1969, Mr. J. E. Kapteina, Oil and Gas Inspector, District IV, Oil Conservation Commission, Santa Fe, New Mexico, has advised me that the plugging program suggested by you will not adequately protect the fresh water supplies in the area and that the subject well should be plugged in accordance with the program set out in the letter to you January 3, 1969.

You have a right to suggest a different plugging program when you appear at the hearing April 9, 1969.

Very truly yours,

GEORGE M. HATCH
Attorney

GME/esr

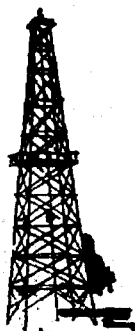
cc: United States Fidelity & Guaranty Company
Surety Claim Department
Attention: Mr. J. A. Lyons, Superintendent
P. O. Box 8253
Albuquerque, New Mexico

Mr. J. E. Kapteina
Oil & Gas Inspector, District IV
Oil Conservation Commission
Santa Fe, New Mexico

C
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OFFICE
2072 Marc

RESIDENCE
815 Pentwood Drive



WALTER J. NELSON
PRODUCER OF CRUDE PETROLEUM
Area Code 913 — Phone TA 7-3028
Mobile YJ 7-4992
SALINA, KANSAS



April 1, 1969

MAIN OFFICE 000

'69 APR 3 AM 8 19

Mr. George M. Hatch
Oil Conservation Commission
State of New Mexico
Box 2088
Santa Fe, New Mexico 87501

Re: Proposal to plug the Lee Burns in Estancia, Torrance County,
New Mexico

Dear Mr. Hatch:

We wrote a letter March 3, 1969, to Mr. J. E. Kapteina, a copy of which is enclosed. We are also enclosing a copy of Mr. Knight's proposal as to his suggestion on plugging the well. He said the well could be plugged real good and tight all the way to the top, when I talked to him on the phone. He is a real good, experienced casing pulling man and if we don't have to pull the casing out, it would be considerably cheaper to leave it in the hole. I feel, if you will examine his proposal real closely, that we could plug the well in a satisfactory manner as per his proposal.

I would appreciate a favorable reply on this.

Yours very truly,

Walter J. Nelson

wjn/e

enc.

CC: United States Fidelity & Guaranty Co.

"If you don't know oil, know your operator"

MAIN OFFICE

69 APR 3 AM 8 19

March 3, 1969

Mr. J. E. Kapteina
Oil and Gas Inspector, District IV
Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico

Dear Mr. Kapteina,

Re: Proposal to plug the Lee Burns in Estancia, Torrance County, New Mexico.

As you know, we have had trouble with the finances in completing the above well. The folks from New Mexico, who went in on this well, just did not pay their obligations, thereby causing me to have to plug the well.

Those folks were Mining Partners and all I was is the Agent for Others, as per my contract with them. Since they would not pay for the development of the well, they will also not want to pay for the plugging of same, and I am out of money. Therefore, I have asked Mr. Knight, who has done some other plugging for me, to give me an estimate. It seemed to me that Mr. Fuller of Artesia's price was much too high. I enclose a proposal and wonder if this would meet with your approval. This method would leave the pipe in the hole, which would be alright with me.

Or, since this well is not hurting anyone, would you allow me to leave the well the way it sets. I am presently working on a "fund", which I am getting completed. This fund would allow me to drill wells in the state of New Mexico. That way, the state would benefit from oil production. I feel that this Burns could be completed as a well just as soon as I can get the funds to complete it. My "fund" venture will be SEC approved and with these funds, we can branch and complete what I have started in New Mexico.

I would certainly appreciate your earnest consideration of this proposal and will be awaiting your reply.

Very truly yours,

Walter J. Nelson

3
Enc.

CC: United State Fidelity Guaranty Co



KNIGHT

CASING PULLING CO., INC.

Night Phones
257-2045, Lyons
JO 4-2022, Ellinwood

Post Office Box 405 CHASE, KANSAS 67524

Day Phone
938-2921
CHASE, KANSAS

February 12, 1969

MAIN OFFICE

'69 APR 3 AM 8 19

PROPOSAL TO PLUG LEE BURNS, WELL NO. 1

We would like to plug subject well in this manner so as to eliminate the cost of having a casing pulling unit do the job.

1. Pump cement on bottom and follow with a plug
Stop cement at 1614'.
2. Shoot a hole in pipe at top of cement and pump
15 sacks of cement thru hole.
3. Shoot another hole in pipe at 250' and circulate
cement to top.

We feel this would give us as good a plug job as could be done and would save quite a sum of money by not having a casing pulling unit on job.

Thank you.

KNIGHT CASING PULLING CO., INC.

Noel J. Knight
Noel J. Knight, President

NJK/mm

OFFICE
2072 Marc



WALTER J. NELSON

PRODUCER OF CRUDE PETROLEUM

Area Code 913 — Phone TA 7-3028

Mobile YJ 7-4992

SALINA, KANSAS

MAIN OFFICE
63 APR 4 AM 8 28

RESIDENCE
815 Pentwood Drive

April 2, 1969

Mr. J. A. Lyons
Surety Claim Dept.
United States Fidelity & Guaranty Co.
Box 8253
Albuquerque, New Mexico

Dear Mr. Lyons:

I am in receipt of a letter from Mr. Hatch pertaining to a bearing before the examiner on April 9, 1969, in Santa Fe.

I have tried to resolve this plugging. I have written to Mr. J. E. Kaptenia and to Mr. Hatch requesting permission to plug this Torrance County well the same way as we plug our wells in Kansas. To date I have had no reply from them. I feel that leaving the pipe in the hole as outlined in Mr. Knight's letter would be an inexpensive and expedient way of resolving this situation. However, I do want to comply with your rules.

I cannot come to Santa Fe on April 9th, due to previous commitments. How serious would this be by my not appearing? Can you help me in this instance?

Yours very truly,

Walter J. Nelson

wjn/c

CC - Mr. J. E. Kaptenia
Mr. G. E. Hatch

"If you don't know oil, know your operator"

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

March 27, 1969

Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

United States Fidelity & Guaranty Company
Surety Claim Department
Attention: Mr. J. A. Lyons, Superintendent
P. O. Box 8253
Albuquerque, New Mexico

Re: Walter J. Nelson Lee Burns "A" Well No. 1,
located 660 feet from the South line and 660
feet from the East line of Section 31, Town-
ship 6 North, Range 8 East, NMPM, Torrance
County, New Mexico — \$10,000 Blanket Plugging
Bond, United States Fidelity & Guaranty Company

Gentlemen:

Reference is made to our letter of March 21, 1969,
concerning the subject well.

I am enclosing herewith a copy of the docket of the
April 9, 1969, Examiner Hearing.

Very truly yours,

GEORGE M. HATCH
Attorney

GMH/esr
Enclosure

C
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OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

March 21, 1969

DOCKET MAILED

Date 3/27/69 *Case 4098*

Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

United States Fidelity & Guaranty Company
Surety Claim Department
Attention: Mr. J. A. Lyons, Superintendent
P. O. Box 8253
Albuquerque, New Mexico

Re: Walter J. Nelson Lee Burns "A" Well No. 1,
located 660 feet from the South line and 660
feet from the East line of Section 31, Town-
ship 6 North, Range 8 East, HMPH, Torrance
County, New Mexico — \$10,000 Blanket Plugging
Bond, United States Fidelity & Guaranty Company

Gentlemen:

As the above-described well has not been plugged
in accordance with a Commission-approved plugging program,
the matter is being set for hearing before an examiner on
April 9, 1969, in Santa Fe, New Mexico.

A copy of the docket will be mailed to you within
the next few days.

Very truly yours,

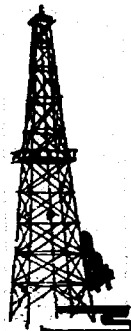
GEORGE M. HATCH
Attorney

GMH/esr

C
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P
Y

OFFICE
2072 Marc

RESIDENCE
815 Pentwood Drive



WALTER J. NELSON

PRODUCER OF CRUDE PETROLEUM

Area Code 913 — Phone TA 7-3024

Mobile YJ 7-4992

SALINA, KANSAS

MAILED
MAR 6
AM 8 11



March 3, 1969

Mr. J. E. Kapteina
Oil and Gas Inspector, District IV
Oil Conversation Commission
P.O. Box 2088
Santa Fe, New Mexico

Case 4098

Dear Mr. Kapteina,

Re: Proposal to plug the Lee Burns in Estancia, Torrance County, New Mexico.

As you know, we have had trouble with the finances in completing the above well. The folks from New Mexico, who went in on this well, just did not pay their obligations, thereby causing me to have to plug the well.

Those folks were Mining Partners and all I was is the Agent for Others, as per my contract with them. Since they would not pay for the development of the well, they will also not want to pay for the plugging of same, and I am out of money. Therefore, I have asked Mr. Knight, who has done some other plugging for me, to give me an estimate. It seemed to me that Mr. Fuller of Artesia's price was much too high. I enclose a proposal and wonder if this would meet with your approval. This method would leave the pipe in the hole, which would be alright with me.

Or, since this well is not hurting anyone, would you allow me to leave the well the way it sets. I am presently working on a "fund", which I am getting completed. This fund would allow me to drill wells in the state of New Mexico. That way, the state would benefit from oil production. I feel that this Burns could be completed as a well just as soon as I can get the funds to complete it. My "fun" venture will be SEC approved and with these funds, we can branch and complete what I have started in New Mexico.

I would certainly appreciate your earnest consideration of this proposal and will be awaiting your reply.

Very truly yours,

Walter J. Nelson

Walter J. Nelson

j
Enc.

"If you don't know oil, know your operator"



KNIGHT

CASING PULLING CO., INC.

Post Office Box 463 CHASE, KANSAS 67524

Night Phones
257-2045, Lyons
4-2022, Ellinwood

Day Phone
688-2921
CHASE, KANSAS

February 12, 1969

Case 4098

PROPOSAL TO PLUG LEE BURNS, WELL NO. 1

We would like to plug subject well in this manner so as to eliminate the cost of having a casing pulling unit do the job.

1. Pump cement on bottom and follow with a plug
Stop cement at 1614'.
2. Shoot a hole in pipe at top of cement and pump
15 sacks of cement thru hole.
3. Shoot another hole in pipe at 250' and circulate
cement to top.

We feel this would give us as good a plug job as could be done and would save quite a sum of money by not having a casing pulling unit on job.

Thank you.

KNIGHT CASING PULLING CO., INC.

Noel J. Knight
Noel J. Knight, President

NJK/mm

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 27, 1969

Mr. Noel J. Knight, President
Knight Casing Pulling Co., Inc.
Post Office Box 405
Chase, Kansas 67524

DOCKET MAILED

Date

Case 4098

Re: Walter J. Nelson
Lee Burns "A" Well No. 1
Torrance County, New Mexico

C
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Dear Mr. Knight:

In reference to your letter of January 20, 1969, Mr. J. E. Kapteina, Oil and Gas Inspector, District IV, Oil Conservation Commission, Santa Fe, New Mexico, has advised me that a pulling unit would probably be necessary, that the nearest pump truck would probably be located in Artesia, New Mexico, and that casing pullers in that area (Artesia) have submitted bids on the job.

The plugging program, which must be witnessed by the Commission, has been set as follows:

1. Cement the interval from 2852 feet back to 1614 feet with at least 155 sacks of cement.
2. Set a 15-sack cement plug on top of the 5 1/2-inch casing stub.
3. Cement the interval from 350 feet back to 250 feet with at least 25 sacks of cement.
4. Set a 25-foot cement plug at the surface.
5. Fill the intervals between plugs with heavy mud.
6. Set in the surface plug a regulation steel marker not less than 4 inches in diameter and extending at least 4 feet above mean ground level.

Very truly yours,

GEORGE M. HATCH
Special Assistant Attorney General

GMH/esr

MAIN
'69 JAN 24 AM

January 22, 1969

DAB

Case 4098

Walter J. Nelson
2072 Marc
Salina, Kansas 67401

Re: 63-S-773 - Walter J. Nelson - State of New Mexico
Walter J. Nelson - Lee Burns (A) Well No. 1 Located
660 Feet From The South Line and 660 Feet From the
East Line of Section 31 Township North, Range 8 East,
NMPM, Torrance County, New Mexico

Dear Mr. Nelson:

Please advise at your earliest convenience what steps you are taking to plug the well in view of the letter sent to you on January 3, 1968 from the Oil Conservation Commission, State of New Mexico and signed by Mr. George M. Hatch, Special Assistant Attorney General. You will note that the state's letter of January 3 instructs you how this well is to be plugged.

I have had no indication from you as to how and when you intend to handle this matter. Please refer to my letter of October 24, 1968 wherein I asked that you keep us fully advised of your progress in plugging this well.

I happened to be discussing well plugging with Mr. C. O. Fulton of Artesia, New Mexico and he advised that he had submitted to you a bid for plugging the well.

Please advise at your earliest opportunity what you intend to do relative to honoring the plugging program as set forth by the State Oil Conservation Commission.

Sincerely,

J. A. Lyons

J. A. Lyons
Superintendent
CLAIMS DEPARTMENT

JAL/mc

cc: Oil Conservation Commission

State of New Mexico

Attn: Mr. George M. Hatch.

Special Assistant Attorney General



KNIGHT

AM 8 19

CASING PULLING CO., INC.

Post Office Box 405 CHASE, KANSAS 67524

Night Phones
257-3045, Lyons
JO 4-2022, Ellinwood

Day Phone
938-2921
CHASE, KANSAS

January 20, 1969

One 4098

Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Attention: J. E. Kapteina

Re; Walter J. Nelson
Lee Burns "A", Well No. 1
Torrance County, New Mexico

Gentlemen:

With reference to above well, could this well be plugged with a pump truck so we wouldn't have to move a pulling unit that distance. If so how would you want well plugged?

Would you send me names of casing pullers in that area? Also, where would be the closest pump truck to be located?

Thank you.

Very truly yours,

KNIGHT CASING PULLING CO., INC.

Noel J. Knight
Noel J. Knight, President

NJK/mm

Walter J. Nelson
To Burns H
P 31-6N-8E

T.D. 2852

Cement plug 2852 to 1614 feet
w/ 155 sack

Fill casing w/ heavy mud
Shut off casing

15 sack plug on top of 5 1/2" stub
Cement plug 350' to 250'
25 sack cement

25 ft cement plug @
surface w/ reg. marker
set in cement plug.

Case 4098

Memo

From
J. E. KAPTEINA
ENGINEER

To
This program does not insure
adequate protection of the
fresh water zone @ 325' to
275'. The proposed program
submitted by Knight does
not allow enough cement to
properly protect fresh water
outside the pipe and does
not include a plug that
would be required inside
casing. Temperature survey
required to check plug integrity.

Case 4098

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300

Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

NATIONAL CHILDREN'S
DENTAL HEALTH WEEK

1969

INSTRUCTIONS: Show money and postage stamps and complete instructions on other side, where applicable. Stamps placed only on back and held firmly in back of letter. Place on front of (back) RETURN RECEIPT REQUESTED.

POSTMARK OF
DELIVERING OFFICE

RETURN
TO

NAME OF SENDER
OIL CONSERVATION COMMISSION

STREET AND NO. OR P.O. BOX
P. O. BOX 2088 G.M.H.

CITY, STATE AND ZIP CODE
EL PASO, TEXAS 79901

Letter - 1-3-69

No. 635797

RECEIPT FOR CERTIFIED MAIL—20¢

SENT TO
Mr. Walter J. Nelson

STREET AND NO.
2072 Marc

CITY, STATE, AND ZIP CODE
Salina, Kansas 67401

POSTMARK
OR DATE
1-3-69

If you want a return receipt, check which
☐ 10¢ shows to whom and when delivered
☐ 35¢ shows to whom, when, and address where delivered

If you want delivery only to addressee, check here
☐ 50¢ fee

FEES ADDITIONAL TO 20¢ FEE

POD Form 3800 July 1963 NO INSURANCE COVERAGE PROVIDED— (See other side)
letter NOT FOR INTERNATIONAL MAIL

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom and when delivered ☐ Show to whom, when, and address where delivered ☐ Deliver ONLY to addressee
(Additional charges required for these services)

RECEIPT

Received the numbered article described below.

REGISTERED NO.
635798

CERTIFIED NO.
635798

INSURED NO.

DATE DELIVERED
1-4-69

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY
Lyle H. Talbot

SHOW WHERE DELIVERED (only if requested)

055-16-71540-7 GPO

No. 635798

RECEIPT FOR CERTIFIED MAIL—20¢

United States Fidelity & Guaranty Co.
Surety Claim Department

STREET AND NO.
c/o Lyle H. Talbot

CITY, STATE AND ZIP CODE
Lyle Talbot Agency, Inc.
1500 San Pedro N.E.
Albuquerque, New Mexico

POSTMARK
OR DATE
1-3-69

If you want a return receipt, check which
☐ 10¢ shows to whom and when delivered
☐ 35¢ shows to whom, when, and address where delivered

If you want delivery only to addressee, check here
☐ 50¢ fee

FEES ADDITIONAL TO 20¢ FEE

POD Form 3800 July 1963 NO INSURANCE COVERAGE PROVIDED— (See other side)
letter NOT FOR INTERNATIONAL MAIL

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom and when delivered ☐ Show to whom, when, and address where delivered ☐ Deliver ONLY to addressee
(Additional charges required for these services)

RECEIPT

Received the numbered article described below.

REGISTERED NO.

SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in)

CERTIFIED NO.

635797

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

INSURED NO.

DATE DELIVERED

SHOW WHERE DELIVERED (only if requested)

JAN 6 1969

655-16-71549-7 GPO

RECEIPT FOR CERTIFIED MAIL—20¢

SENT TO Mr. Walter J. Nelson	POSTMARK OR DATE
STREET AND NO. 2072 Marc	
CITY, STATE, AND ZIP CODE Salina, Kansas 67401	1-3-69
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered If you want delivery only to addressee, check here <input type="checkbox"/> 50¢ fee	
FEES ADDITIONAL TO 20¢ FEE POD Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side) July 1963 letter NOT FOR INTERNATIONAL MAIL	

No. 635797

POST OFFICE SUPERVISOR'S SIGNATURE

UNITED STATES FIDELITY & GUARANTY CO.
Surety Claim Department
c/o Mr. Lyle H. Talbot
Lyle Talbot Agency, Inc.
1500 San Pedro N.E.
Albuquerque, New Mexico 87501

TO

G.M.H.

JAN 6 1969

655-16-71549-7 GPO

RECEIPT FOR CERTIFIED MAIL—20¢

United States Fidelity & Guaranty Co. Surety Claim Department c/o Mr. Lyle H. Talbot Lyle Talbot Agency, Inc. 1500 San Pedro N.E. Albuquerque, New Mexico	POSTMARK OR DATE
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered If you want delivery only to addressee, check here <input type="checkbox"/> 50¢ fee	1-3-69
FEES ADDITIONAL TO 20¢ FEE POD Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side) July 1963 letter NOT FOR INTERNATIONAL MAIL	

No. 635798

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 3, 1969

CERTIFIED - RETURN
RECEIPT REQUESTED

Case 4098

Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

United States Fidelity & Guaranty Company
Surety Claim Department
c/o Mr. Lyle H. Talbot
Lyle Talbot Agency, Inc.
1500 San Pedro N.E.
Albuquerque, New Mexico

DOCKET ATTACHED

Date _____

Re: Walter J. Nelson Lee Burns "A" Well No. 1,
located 660 feet from the South line and 660
feet from the East line of Section 31, Town-
ship 6 North, Range 8 East, NMPM, Torrance
County, New Mexico — \$10,000 Blanket Plugging
Bond, United States Fidelity & Guaranty Company

Gentlemen:

Mr. J. E. Kapteina, Oil and Gas Inspector, District IV,
Oil Conservation Commission, Santa Fe, New Mexico, has set a
plugging program for the subject well as follows:

1. Cement the interval from 2852 feet back
to 1614 feet with at least 155 sacks of
cement.
2. Set a 15-sack cement plug on top of the
5 1/2-inch casing stub.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

-2-

SANTA FE, NEW MEXICO 87501

January 3, 1969

Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

United States Fidelity & Guaranty Company
Surety Claim Department
c/o Mr. Lyle H. Talbot
Lyle Talbot Agency, Inc.
1500 San Pedro N.E.
Albuquerque, New Mexico

C
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3. Cement the interval from 350 feet back to 250 feet with at least 25 sacks of cement.
4. Set a 25-foot cement plug at the surface.
5. Fill the intervals between plugs with heavy mud.
6. Set in the surface plug a regulation steel marker not less than 4 inches in diameter and extending at least 4 feet above mean ground level.

If the aforesaid plugging has not been accomplished by March 1, 1969, the Commission will docket a case concerning the matter.

Very truly yours,

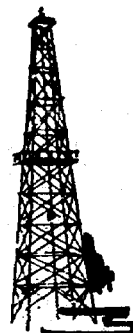
GEORGE M. HATCH
Special Assistant
Attorney General

GME/esr

cc: Mr. J. E. Kapteina
Oil and Gas Inspector, District IV
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

OFFICE
2072 Marc

RESIDENCE
815 Pentwood Drive



WALTER J. NELSON

PRODUCER OF CRUDE PETROLEUM

Area Code 913 — Phone TA 7-3028

Mobile YJ 7-4992

SALINA, KANSAS

MAIN OFFICE OKC

'68 Nov 1 AM 8 31

Oct. 30, 1968

Mr. J. A. Lyons
Superintendent Claims Dept.
United States Fidelity and Guaranty Co.
301 San Mateo Blvd., S.E.
Albuquerque, New Mexico 87108

Dear Mr. Lyons:

The name you gave me in your letter of October 24th in regard to 47757-13-575-66 was incorrect but I did find the correct name and talked to Mr. C. O. Fulton at Artesia, New Mexico and he said that he would drop me a letter telling me when he could plug the well.

When I receive that from him, I will forward the information to you.

Yours very truly,

Walter J. Nelson
Walter J. Nelson
wjn/e

cc: Lyle Talbot Agency
Albuquerque, New Mexico
cc: State of New Mexico
Oil Conservation Commission
P. O. Box 2033
Santa Fe, New Mexico
Attn: Mr. George K. Hatch

Case 4098

"If you don't know oil, know your operator"

100 OCT 23 11 13
October 24, 1968

[Handwritten initials]
Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

Re: 47757-13-875-66 - Walter J. Nelson - State of New Mexico

Dear Mr. Nelson:

Case 4098
This will confirm our telephone conversation of October 22, 1968 wherein you advise that you would reach Mr. C. O. Fuller of the Artesia Casing Fullers, Artesia, New Mexico for the purposes of determining what his costs would be for plugging the well in Torrance County identified as the Lee Burns "A".

As the State of New Mexico has called upon you and/or your surety company to plug this well, we would suggest that you make early arrangements to do so and keep the State of New Mexico and the United States Fidelity and Guaranty Company fully advised of when this matter has been accomplished.

Sincerely,

[Handwritten signature]
J. A. Lyons
Superintendent
CLAIMS DEPARTMENT

JAL/mc

cc: Lyle Talbot Agency
Albuquerque, New Mexico

cc: State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico
Attn: Mr. George M. Hatch

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

October 22, 1968

Case 4098

C
O
P
Y

Mr. Lyle H. Talbot
Lyle Talbot Agency, Inc.
1500 San Pedro, N.E.
Albuquerque, New Mexico

Dear Mr. Talbot:

Please find enclosed a copy of the letter
from Mr. Walter J. Nelson that we discussed on
the telephone October 21, 1968.

Very truly yours,

GEORGE M. HATCH
Attorney

GMH/esr
Enclosure

Memo from the desk of . . .

WALTER J. NELSON

PRODUCER OF CRUDE PETROLEUM

Area Code 913 — Phone TA 7-3028

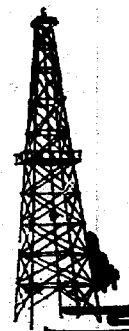
Mobile YJ 7-4992

2072 Marc

SALINA, KANSAS

67401

Oct. 18, 1968



Mr. J. E. Kapteina
Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Re: Burns Lease, New Mexico

OCT 21 AM 10 21

Dear Mr. Kapteina:

My bond is in effect until Nov. 21, 1968, on the above lease. I have run out of money and the folks who bought an interest there in New Mexico will not pay any of their bills; therefore, please advise the bonding company to plug the well as per your specifications. I am sorry New Mexico had to end this way for me but what else can I do when I can't be reimbursed by those responsible.

Yours very truly,

Walter J. Nelson

Case 4098

wjn/s
CC- Lyle Talbot Agency, Inc.

"If you don't know oil, know your operator"

Memo from the desk of . . .

NW

WALTER J. NELSON

PRODUCER OF CRUDE PETROLEUM

Area Code 913 — Phone TA 7-3028

Mobile YJ 7-4992

2072 Marc

SALINA, KANSAS

67401

August 23, 1968

Mr. J. E. Kapteina
Oil and Gas Inspector, District IV
Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico

Dear Sir:

I am enclosing a copy of a letter which was to have been sent to you, but in error, I failed to do so. When Mr. Nelson comes back, he will contact you or the Lyle Talbot Agency regarding the plugging of the Burns well in New Mexico.

Yours very truly,

Walter J. Nelson Oil Operations

By: Helen Ekstrand
Bookkeeper

e

68 AUG 26 AM 8 41

Case 4098

"If you don't know oil, know your operator"

Aug. 7, 1963

Lyle Talbot Agency, Inc.
1500 San Pedro, N. M.
Albuquerque, New Mexico 87110

Dear Mr. Talbot:

This is to advise you that Mr. Walter Nelson is presently out of town and he will contact you in regards to the plugging of the Burns well in New Mexico upon his return.

Yours very truly,

Walter J. Nelson Oil Operations

By: Helen Ekstrand
Bookkeeper

Case 4098

MAIN OFFICE

'63 AUG 26 AM

UNITED STATES DEPARTMENT OF JUSTICE
States Fidelity & Surety Company
 Claim Department
 Mr. Lyle R. Talbot
 Lyle Talbot Agency, Inc.
 1500 San Pedro NE
 Albuquerque, New Mexico 87501
 RETURN TO
 COMMUNICATIONS COMMISSION
 GME
 BOX 2008
 NEW MEXICO 87501
 7/23/68 - Walter J. Nelson)

RECEIPT FOR CERTIFIED MAIL - 20¢

No. 635795

SENT TO Mr. Walter J. Nelson	POSTMARK OR DATE 7-23-68
STREET AND NO. 2072 Marc	
CITY, STATE, AND ZIP CODE Salina, Kansas 67401	
If you want a return receipt, check which: <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered <input type="checkbox"/> 50¢ fee	
FEES ADDITIONAL TO 20¢ FEE POD Form 3800 July 1963 NO INSURANCE COVERAGE PROVIDED - NOT FOR INTERNATIONAL MAIL (See other side) Letter - July 23, 1968	

RECEIPT FOR CERTIFIED MAIL - 20¢

No. 635796

SENT TO United States Fidelity & Surety Company	POSTMARK OR DATE 7-23-68
STREET AND NO. Mr. Lyle R. Talbot	
CITY, STATE, AND ZIP CODE 1500 San Pedro NE Albuquerque, New Mexico	
If you want a return receipt, check which: <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered <input type="checkbox"/> 50¢ fee	
FEES ADDITIONAL TO 20¢ FEE POD Form 3800 July 1963 NO INSURANCE COVERAGE PROVIDED - NOT FOR INTERNATIONAL MAIL (See other side) Letter - 7/23/68 (Walter J. Nelson)	

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

United States Fidelity & Guaranty Co.
Surety Claim Department
c/o Mr. Lyle H. Talbot
Lyle Talbot Agency, Inc.
1500 San Pedro NE
Albuquerque, New Mexico

INSTRUCTIONS: Show name and address below and complete instructions on other side, where applicable. Mailed in padded ends, attach and hold firmly to back of article. Print on front of article RETURN RECEIPT REQUESTED.

NAME OF SENDER

OIL CONSERVATION COMMISSION

STREET AND NO. OR P.O. BOX

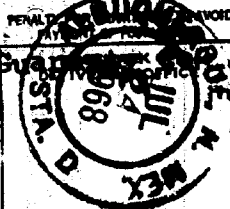
GME

P. O. BOX 2088

CITY, STATE, AND ZIP CODE

SANTA FE, NEW MEXICO 87501

(Letter 7/23/68 - Walter J. Nelson)



RETURN
TO

RECEIPT FOR CERTIFIED MAIL—20¢

SENT TO

Mr. Walter J. Nelson

POSTMARK
OR DATE

STREET AND NO.

2072 Marc

CITY, STATE, AND ZIP CODE

Salina, Kansas 67401

7-23-68

If you want a return receipt, check which
☐ 10¢ shows to whom and when delivered
☐ 35¢ shows to whom, when, and address where delivered.

If you want delivery only to addressee, check here
☐ 50¢ fee

FEES ADDITIONAL TO 20¢ FEE

POD Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)
July 1963 NOT FOR INTERNATIONAL MAIL

Letter - July 23, 1968

RECEIPT FOR CERTIFIED MAIL—20¢

SENT TO

United States Fidelity & Guaranty Co.
Surety Claim Department

OR DATE

STREET AND NO.

c/o Mr. Lyle H. Talbot
Lyle Talbot Agency, Inc.

CITY, STATE, AND ZIP CODE

1500 San Pedro NE
Albuquerque, New Mexico

7-23-68

If you want a return receipt, check which
☐ 10¢ shows to whom and when delivered
☐ 35¢ shows to whom, when, and address where delivered.

If you want delivery only to addressee, check here
☐ 50¢ fee

FEES ADDITIONAL TO 20¢ FEE

POD Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)
July 1963 NOT FOR INTERNATIONAL MAIL

Letter - 7/23/68 (Walter J. Nelson)

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom and when delivered ☐ Show to whom, when, and address where delivered ☐ Deliver ONLY to addressee
(Additional charges required for these services)

RECEIPT

Received the numbered article described below:

REGISTERED NO.	SIGNATURE OF NAME OF ADDRESSEE (Must always be filled in)
CERTIFIED NO. 635796	
INSURED NO.	
DATE DELIVERED 7-24-68	SIGNATURE OF ADDRESSEE'S AGENT, IF ANY
SHOW WHEN DELIVERED (only if requested)	

65-10-71043-7 GPO

RECEIPT FOR CERTIFIED MAIL—20¢

No. 635795

SENT TO Mr. Walter J. Nelson	POSTMARK OR DATE 7-23-68
STREET AND NO. 2072 Marc	
CITY, STATE, AND ZIP CODE Salina, Kansas 67401	
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered If you want delivery only to addressee, check here <input type="checkbox"/> 50¢ fee	
FEES ADDITIONAL TO 20¢ FEE	
POD Form 3800 NO INSURANCE COVERAGE PROVIDED—(See other side) July 1963 NOT FOR INTERNATIONAL MAIL letter - July 23, 1968	

RECEIPT FOR CERTIFIED MAIL—20¢

No. 635796

SENT TO United States Fidelity & Guaranty Co. Surety Claim Department	POSTMARK OR DATE 7-23-68
STREET AND NO. Mr. Lyle H. Talbot Lyle Talbot Agency, Inc.	
CITY, STATE, AND ZIP CODE 1500 San Pedro NE Albuquerque, New Mexico	
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered If you want delivery only to addressee, check here <input type="checkbox"/> 50¢ fee	
FEES ADDITIONAL TO 20¢ FEE	
POD Form 3800 NO INSURANCE COVERAGE PROVIDED—(See other side) July 1963 NOT FOR INTERNATIONAL MAIL Letter - 7/23/68 (Walter J. Nelson)	

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 23, 1968

**CERTIFIED - RETURN
RECEIPT REQUESTED**

Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

United States Fidelity & Guaranty Company
Surety Claim Department
c/o Mr. Lyle E. Talbot
Lyle Talbot Agency, Inc.
1500 San Pedro N.E.
Albuquerque, New Mexico

Re: Walter J. Nelson Lee Burns "A" Well No. 1,
located 660 feet from the North line and 660
feet from the East line of Section 31, Town-
ship 6 North, Range 8 East, HMPM, Torrance
County, New Mexico -- \$10,000 Blanket Plugging
Bond, United States Fidelity & Guaranty Company

Gentlemen:

Pursuant to information furnished us by Mr. J. E.
Kapteina, Oil and Gas Inspector, District IV, Oil Conser-
vation Commission, Santa Fe, New Mexico, the New Mexico
Oil Conservation Commission hereby makes demand upon you
to plug the above-described well in accordance with a
Commission-approved plugging program.

Mr. Kapteina must be contacted for an appropriate
plugging program and given an opportunity to witness the
plugging of the well as it is being accomplished.

C
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Case 4098

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

-2-

July 23, 1968

Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

United States Fidelity & Guaranty Company
Surety Claim Department
c/o Mr. Lyle H. Talbot
Lyle Talbot Agency, Inc.
1500 San Pedro N.E.
Albuquerque, New Mexico

If satisfactory arrangements to plug the well have not been made with Mr. Kapteina by August 23, 1968, the Commission will docket a case concerning the matter.

Very truly yours,

GEORGE M. HATCH
Special Assistant
Attorney General

GML/esr

cc: Mr. J. E. Kapteina
Oil and Gas Inspector, District IV
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

C
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OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

July 23, 1968

CERTIFIED - RETURN
RECEIPT REQUESTED

Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

United States Fidelity & Guaranty Company
Surety Claim Department
c/o Mr. Lyle H. Talbot
Lyle Talbot Agency, Inc.
1500 San Pedro N.E.
Albuquerque, New Mexico

Re: Walter J. Nelson Lee Burns "A" Well No. 1,
located 660 feet from the North line and 660
feet from the East line of Section 31, Town-
ship 6 North, Range 8 East, NMPM, Terrance
County, New Mexico — \$10,000 Blanket Plugging
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Mr. Kapteina must be contacted for an appropriate
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plugging of the well as it is being accomplished.

C
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Case 4098

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 23, 1968

-2-

Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

United States Fidelity & Guaranty Company
Surety Claim Department
c/o Mr. Lyle H. Talbot
Lyle Talbot Agency, Inc.
1500 San Pedro N.E.
Albuquerque, New Mexico

If satisfactory arrangements to plug the well have not
been made with Mr. Kapteina by August 23, 1968, the Commis-
sion will docket a case concerning the matter.

Very truly yours,

GEORGE M. HATCH
Special Assistant
Attorney General

GMR/esr

cc: Mr. J. E. Kapteina
Oil and Gas Inspector, District IV
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

C
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OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

April 19, 1968

Mr. Walter J. Nelson
2072 Marc
Salina, Kansas 67401

Dear Sir:

Case 4098

Your request to extend the "Temporary Abandoned" status of the Lee Burns "A" Well No. 1 for an additional 6 month period was discussed with the Secretary-Director of the Commission and the Chief Engineer of the Commission Staff and it is the consensus of opinion that a 6 month extension should not be allowed.

If properly applied for, you will be granted until July 15, 1968, to resume operations on said well and will be given a reasonable length of time thereafter in which to complete the operations on the well. If you fail to resume operations by July 15, 1968, the bonding company will be called upon to plug the hole. Ten days prior to the time you would expect to move back on the hole, you will apply to this office for permission to re-enter the hole. No work of any description is to be performed until additional cement is placed behind the 5 1/2-inch casing and the actual cementing must be witnessed by a representative of the Commission.

Very truly yours,

J. E. KAPTEINA
Oil & Gas Inspector
District IV

JEK/og

C
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P
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OFFICE
2072 Marc

RESIDENCE
815 Pentwood Drive



WALTER J. NELSON

PRODUCER OF CRUDE PETROLEUM

Area Code 913 — Phone TA 7-2028

Mobile YJ 7-4992

SALINA, KANSAS

DEC 18 1967
10 42 AM



December 11, 1967

Mr. J. E. Kapteina, Oil and Gas Inspector
District IV
State Office Building
Santa Fe, New Mexico 87501

Dear Mr. Kapteina,

This past summer, when I was speaking to you about a Temporary Abandonment on my Burns #1 in Torrance County, New Mexico, an oil operator out of Texas became very much interested in this area after I showed him a log. He was aware of my difficulties in collecting in the monies due that was spent trying to complete this well as a producer. He strung me along all this time by telling me each couple of weeks, when I called him, that it would be just a short while longer and he would be able to go on this well. He was to pick up the bills that the other folks did not pay. Now I just called him and he tells me he is tied up on a deal for another couple of months and he insists he is still interested in my area, but just can't get away for another little while.

Also, since this time I have been working on a corporation of my own, which will have S.E.C. approval and I will be able to go into that well and complete it without little people hampering me by now paying their bills. My prospectus is nearly ready for the printer and will be sold over the counter.

At the same time, legal action has been commenced against these people who haven't paid up and if you'd like, I can send you a copy of that.

The only thing I need is an extension of time to help me get all these things ironed out. I am enclosing a new form C103 and am asking if I could please have a little more time. The well isn't hurting a thing, I think, because I do have a good Orbit valve on it.

Would very much appreciate your help in this matter. Thank you.

Very truly yours,

Walter J. Nelson

Walter J. Nelson

Lee Burns "A"

J

P.S. We are floating a \$5,000,000.00 issue and will ear mark a goodly portion of that for exploration in New Mexico.

"If you don't know oil, know your operator"

Case 4098

OFFICE
2072 Marc

RESIDENCE
815 Pentwood Drive



WALTER J. NELSON

PRODUCER OF CRUDE PETROLEUM

Area Code 913 — Phone TA 7-3028

Mobile YJ 7-4992

SALINA, KANSAS



September 24, 1967

MAIN OFFICE

'67 SEP 26 AM 8 48

Mr. J. E. Kaptenia, Engineer
State of New Mexico
Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico

Dear Mr. Kaptenia,

I am in receipt of your letter of the 21st regarding the Lee Burns A well.

I am sorry I am so slow in getting this well completed. It was not my intentions to be that way. I thought I had all good people in on this venture, but it turned out that 2 of the major interest holders, who are from New Mexico, have not paid their developing costs to this date. The people whose money I brought into the state have all paid up their obligations.

My Kansas attorney has been instituting collection from these two so that I can complete testing the well in the upper zone. This is where I think it should make a well.

This has made it very bad for me to explain to the suppliers etc. why we weren't able to pay them up to this date. We have an orbit valve on the casing which is closed at all times, not allowing any gas or fluid to escape. This is costing me rental, but I don't mind that because I do want to comply with all your regulations.

I would very much appreciate it if I could have 60 days or so to finish my completion work. On the next well that I drill in your state, I will collect in the completion money in advance and refund any unused at the time of the final completion. In that way I won't be stuck, as I cannot afford to be stuck with a lot of bills.

Very truly yours,

Walter J. Nelson

J

P.S. Please let me know by return air mail, so I have enough time to make the proper arrangements necessary.

"If you don't know oil, know your operator"

Case 4098

NEW ADDRESS
2072 MARC

WALTER J. NELSON OIL OPERATIONS

MAIN OFFICE

2014 LELAND WAY • SALINA, KANSAS • PHONE TA 7-3028 AREA CODE 913

6-23-67

'67 JUN 26 AM 8 09

MESSAGE

REPLY

TO

Mr J.E. Naptoria

DATE

Dear Sir - We have tested all but 3 (two) zones in the Le Burn well in Torrance Co. We have found all zones to dry up with testing, making no fluid. We did get just a little heavy tarry oil out of some zones that you could sell in a barrel & through down the road. I still have hopes of making some kind of a well in the section 1572 to 1582. I have shut down for a few days making some repair & also collecting in expense money, now when I go back I will want to set a Permian type plug at about 1700 feet, I can not find any information in the yellow book about that type of operation. I was wondering if you could tell me if I could set a cement plug at about that

BY

INSTRUCTIONS TO SENDER:

SIGNED

INSTRUCTIONS TO RECEIVER:

1. KEEP YELLOW COPY. 2. SEND WHITE AND PINK COPIES WITH CARBON INTACT.

1. WRITE REPLY. 2. DETACH STUB, KEEP PINK COPY, RETURN WHITE COPY TO SENDER.

NEW ADDRESS
2072 MARG

WALTER J. NELSON OIL OPERATIONS

2014 LELAND WAY • SALINA, KANSAS • PHONE TA 7-3028 AREA CODE 913

MESSAGE

REPLY

TO

Depth? If you would drop me a line & let me know if my procedure is correct.

DATE

Also please send me some more postal cards.

Respectfully yours

Walter J Nelson

BY

INSTRUCTIONS TO SENDER:

SIGNED

INSTRUCTIONS TO RECEIVER:

1. KEEP YELLOW COPY. 2. SEND WHITE AND PINK COPIES WITH CARBON INTACT.

1. WRITE REPLY. 2. DETACH STUB, KEEP PINK COPY, RETURN WHITE COPY TO SENDER.

DRAFT

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

~~IN-THE-MATTER-OF-THE-HEARING
CALLED-BY-THE-OIL-CONSERVATION
COMMISSION-OF-NEW-MEXICO-FOR
THE-PURPOSE-OF-CONSIDERING~~

*Ida -
Copy of Order
should go
to Bonding Co.
and to Nelson
Chk w/ Geo.
Jou*

CASE No. 4098

Order No. R-3750

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT WALTER J. NELSON AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE WALTER J. NELSON LEE BURNS "A" WELL NO. 1, LOCATED IN UNIT P OF SECTION 31, TOWNSHIP 6 NORTH, RANGE 8 EAST, NMPM, TORRANCE COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 9, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this May day of April, 1969, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

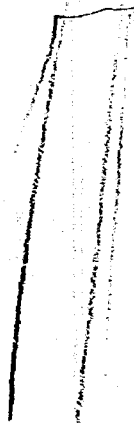
(2) That Walter J. Nelson is the owner and operator of the Walter J. Nelson Lee Burns "A" Well No. 1, located in Unit P of Section 31, Township 6 North, Range 8 East, NMPM, Torrance County, New Mexico.

(3) That the Walter J. Nelson Lee Burns "A" Well No. 1 has been abandoned and should be plugged in order to confine permanently all oil, gas, and ^{or} water in the separate strata originally containing them in order to prevent waste and protect correlative rights.

2. Shoot ^{5 1/2 - inch} casing off at
approximately 1600 feet
and set a 15 - sack cement
plug on top of ~~the~~ casing
stub.

1600

2952



IT IS THEREFORE ORDERED:

(1) That Walter J. Nelson is hereby ordered to plug the Walter J. Nelson Lee Burns "A" Well No. 1, located in Unit P of Section 31, Township 6 North, Range 8 East, NMPM, Torrance County, New Mexico, in accordance with ^{either of} the following minimum plugging

^{programs}
~~requirements:~~

A. ~~If subject well is not to be converted to a water well.~~

1. Cement the interval from 2852 feet back to 1614 feet with at least 155 sacks of cement.
2. Set a 15-sack cement plug on top of the 5 1/2-inch casing stub.
3. Cement the interval from 350 feet back to 250 feet with at least 25 sacks of cement.
4. Set a 25-foot cement plug at the surface.
5. Fill the intervals between plugs with heavy mud.
6. Set in the surface plug a regulation steel marker not less than 4 inches in diameter and extending at least 4 feet above mean ground level.

(2) That Walter J. Nelson shall complete plugging operations on the above-described well on or before June 30, 1969, and shall notify the Oil and Gas Inspector, District 4, Oil Conservation Commission, P. O. Box 2088, Santa Fe, New Mexico, of the exact date and time plugging operations are to commence.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

B. If subject well ~~is to be~~ converted to a water well.

1. Cement the interval from 2852 feet back to 1614 feet with at least 15 sacks of cement.

2. Set a 15-sack cement plug on top of the 5 1/2-inch casing stub.

3. Cement the interval from 550 feet back to 500 feet with at least 15 sacks of

4. Cement the intervals between plugs with heavy mud.

5. Transfer well to landowner for use as a water well in accordance with the provisions of Rule 203 of the Commission Rules and Regulations.

under for
(2) and (3)