

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO.

In the application of A. C. Kittell, :  
Trustee, to pull the casing and plug :  
the well known as Spatter No. 1, lo- :  
cated on NE<sup>1</sup>SW<sup>1</sup> of Sec. 2, T. 31 R. 11, :  
NMPM, in Aztec Field, San Juan County. :

A P P L I C A T I O N .

Comes now A. C. Kittell, Trustee, a resident of San Juan  
County, State of New Mexico, hereinafter referred to as applicant,  
and alleges and states, as follows:

That heretofore, the applicant was made Trustee by N. Spatter,  
a resident of the State of California, for the benefit of certain  
creditors of the said Spatter, which said appointment was placed in  
escrow in the Citizens Bank of Aztec, Aztec, New Mexico, subject to  
the conditions contained said escrow, on the 6th day of July 1935,  
and which escrow agreement was, in words and figures, as follows:  
" The enclosed agreement made by N. Spatter, on the date of July  
6th is to be held by the Citizens Bank of Aztec for the period of 45  
days from this 6th day of July 1935, conditioned that the said N.  
Spatter show receipts to A. G. Ramsower each Saturday from this date  
for all current expenses made in his drilling operations and that he during  
that time continue his drilling operations. In event that the said N.  
Spatter does not continue his drilling operations on the lease described  
in said agreement and does not in the meantime show and file receipts  
with the said A. G. Ramsower for all current expenses each Saturday, then  
the said Citizens Bank of Aztec shall deliver the agreement, enclosed  
herein, to the said A. C. Kittell and in which event the said A. C. Kittell  
shall execute the provisions of said agreement. "

(Signed) N. Spatter"

and that the said enclosed agreement was, in words and figures, as follows:

"WHEREAS, the undersigned, N. Spatter, is now indebted unto various  
persons, on account of his drilling operations on and upon a certain oil  
and/or gas well, known as Spatter No. 1, located on the oil and/or gas  
lease heretofore made by Sherman R. Coon and wife to the said N. Spatter,  
on lands lying in San Juan County, New Mexico, described as follows:

SE<sup>1</sup>SW<sup>1</sup>, NE<sup>1</sup>SW<sup>1</sup>, and SW<sup>1</sup>SE<sup>1</sup> Sec. 32 Township 31 N. Range 11 WMPM.  
AND WHEREAS, the said well is unfinished and the said N. Spatter is  
unable to make the payments of the various amounts so owed and is desirous  
to enable the said creditors to obtain what is due them.

NOW THEREFORE, the said N. Spatter does by these presents consent and  
agree that A. C. Kittell may act as his Trustee and pull the casing in  
said well, remove and store the same until an opportunity is had to sell  
the said casing at a fair price and with the proceeds pay off all of the  
said indebtedness which has arisen from the said drilling operations,



and shall pay hereafter the sum of \$100.00 each month on the 12th day of said month until the full amount of said indebtedness is paid, and in the meantime to continue to pay the weekly current expenses in said drilling operations and present the receipts therefor to the said A. G. Ramsower on Saturday of each week, as is provided in said escrow, and in event that said Spatter makes said payments as agreed herein and shows and deposits the said receipts for the current expenses with the said Ramsower, then the said A. C. Kittell, Trustee agrees to refrain from pulling said casing, making sale thereof and doing the things set out in the original agreement, and it is distinctly agreed by the said Spatter that in case of default in any of the above agreements and conditions on his part to be performed then the said A. C. Kittell shall have the immediate right to perform the powers contained in his authority as Trustee and all additional indebtedness herein contained, more than appears in the appointment as Trustee shall be paid by the said A. C. Kittell, Trustee, if and when he shall exercise the said powers in said authority contained.

WITNESS THE HANDS and seals of the parties hereto, this 11th day of March 1936.

H. Spatter (SEAL)  
A. C. Kittell (SEAL)

STATE OF NEW MEXICO, :  
: SS:  
County of San Juan. :

On this 11th day of March 1936, before me personally appeared H. Spatter and A. C. Kittell, to me personally known to be the persons described in and who executed the foregoing agreement and acknowledged to me that they executed the same as their free act and deed.

Witness my hand and official seal the day and year last above set out.

My commission expires May 1 1939

Jane M. Graves  
Notary Public

(SEAL)

That thereafter, the said Spatter having defaulted in his payments as agreed to be made in the said above supplemental agreement the said A. C. Kittell, Trustee, made application to your body on Nov. 9th 1936 for approval of intention to pull the casing the said above set out well, known as Spatter No. 1 and which application was approved by your body on November 12 1936; that operations were thereafter begun for the pulling of said casing and the plugging of said well and while so proceeding your body sent to the said Kittell, Trustee, a telegram in words and figures, as follows: Am advised by H. Spatter you have no authority from him to plug said Spatter well number one in section thirty two thirty one stop eleven stop do not begin plugging operations or discontinue them if strated stop andreas state oil and gas inspector will visit you and inspect well in next few days.

OIL CONSERVATION COMMISSION

BY H. H. WELLS STATE GEOLOGIST.

Said telegramd being dated from Santa Fe, N Mex. January 18, 1937.

Thatthereafter, said Andreas, Inspector, went to the Spatter location and on February 27, 1937 your body, by H. H. Wells, State Geologist, wrote to said Kittell closing, as follows: "We would prefer t have Mr. Spatter's approval of further plugging work on the well in question. We suggest that you get in touch with him and have him advise us what his wishes are."

That your applicant has been unable to make any settlement with the said Spatter; that the said well has been abandoned since \_\_\_\_\_ and no effort has been made by the said Spatter to move another rig on the said location to replace the rig moved off by the said Aerex Company, owner of the rig for which the rent had not been paid; that there is no watchman on the premises and no apparent determination or intention to continue further operations on said lease or said well; that the said Spatter has been since the \_\_\_\_\_ day of \_\_\_\_\_ 1937 conducting oil operations in a spasmodic attempt to drill an oil well in the State of Colorado, about \_\_\_\_\_ miles north of the well in question; that this applicant is informec and from such information believes that the rig and machinery in operation on the said last mentioned

oil well are owned by the said Spatter and could at any time during the past six months been used in drilling operations on said Spatter No. 1; that the said Spatter well No. 1 has been standing with an open hole from its stated total depth of 1750 feet to the bottom of the casing at 1250 feet, making 500 feet of open hole, the condition of which is probmetical and likely to cause injury to the the adjoining lands; that the said abandonment of said well 1 is a clear violation of the intent and purposes of the Oil Conservation Act and the actions of the said Spatter in connection with the approval of your body for this Trustee to plug the well have been deceitful and have been for the sole purpose of using your body to avoid the payment of a debt by his Trustee, which Trustee was appointed on an adequate considetation and which appointment is irrevocable and no attempt has at any time been made by the said Spatter to revoke the said Trusteeship.

Your applicant prays your body to permit him to proceed under the authority given him in your approval of November 12th 1936 and cause the said Spatter, if there is any legal questions as to the validity of said Trusteeship, to go into the proper jurisdiction to question the said validity.