

BEFORE THE OIL CONSERVATION COMMISSION OF THE  
STATE OF NEW MEXICO

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In the Matter of the Winston )  
Marks Well in Sec. 5-25N-24E, )  
Colfax County, New Mexico. )

PETITION OF NATIONAL SURETY CORPORATION

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Comes now National Surety Corporation, a corporation organized and existing under and by virtue of the laws of the State of New York, and authorized to do business in the State of New Mexico, and duly qualified in the State of New Mexico to do a surety business, and respectfully shows to the Oil Conservation Commission:

I

That said National Surety Corporation is the owner of and is entitled to the possession of the following described goods, chattels, and personal property, to-wit:

29 Joints, 774-3/4 feet of 12 $\frac{1}{2}$  inch lapweld casing, 15 Joints, aggregating 447-3/4 feet of 12 $\frac{1}{2}$  inch seamless casing, all located in or about the so-called Marks well on Section 5, Township 25 North, Range 24 East, in Colfax County, New Mexico, excepting only a small portion thereof consisting of approximately 200 feet which has heretofore been removed from the location of said well.

By way of explanation of its claim of ownership and for the information of the Commission, but without limiting in any manner the foregoing allegation of ownership and right of possession, said National Surety Corporation alleges:

- (a) That on or about the 11th day of July, 1938, one Morris Zeligson, being then the absolute owner of and in possession of the casing above-described, made and entered into a certain rental agreement with Winston Marks of Amarillo, Texas; that a true copy of said rental agreement is attached hereto, marked Exhibit "A," and by this reference made a part of this petition; that said agreement

was duly acknowledged by the said Winston Marks; that thereafter said agreement was duly acknowledged by the said Morris Zeligson; that thereafter and on the 11th day of August, 1939, said rental agreement was duly filed in the office of the County Clerk of Colfax County, New Mexico, under filing number M-3176.

(b) That on the 11th day of July, 1938, the said Winston Marks entered into a written bond of indemnity to the said Morris Zeligson with National Surety Corporation as surety thereon in the penal sum of \$3,000.00, conditioned that the said Winston Marks should fully and faithfully perform all the terms and conditions of said rental agreement; that the said Winston Marks failed and neglected to make payment for said casing above described as required by said rental contract and failed to return the same to the said Morris Zeligson; that, as a result thereof, the said Morris Zeligson demanded that National Surety Corporation as surety on said bond make payment for said casing; that the said National Surety Corporation was compelled to pay and did pay to the said Morris Zeligson for said casing the sum of \$2,793.90 on the 28th day of July, 1939; that prior to said date the said Winston Marks had already placed said casing in the said Winston Marks well on Section 5, Township 25 North, Range 24 East, in Colfax County, New Mexico.

(c) That upon payment for said casing by National Surety Corporation, the said Morris Zeligson made, executed, and delivered to said National Surety Corporation his written assignment, selling and assigning unto said National Surety Corporation all said casing above mentioned; that a true copy of said assignment is attached hereto, marked Exhibit "B," and by this reference made a part of this petition; that said assignment was, on the 5th day of August, 1939, filed for record in the office of the County Clerk of Colfax County, New Mexico, and recorded in Book 39 of Miscellaneous Records at page 223.

(d) That the said National Surety Corporation as the legal owner of said casing, is entitled to the immediate possession thereof and entitled to remove the same from said Winston Marks well, subject only to the permission of this Commission.

## II

That the said Winston Marks well is located on Section 5, Township 25 North, Range 24 East, N. M. F. M., in Colfax County, New Mexico, the exact location of said well being sometimes designated as the Southeast Quarter of the Northwest Quarter ( $SE\frac{1}{4}NW\frac{1}{4}$ ) of said Section 5 and sometimes designated as the Southwest Quarter of the Northwest Quarter ( $SW\frac{1}{4}NW\frac{1}{4}$ ) of said Section 5; that, regardless of said designation of the particular quarter section, the said well is one and the same well; that the said Winston Marks undertook to drill said well for Tenaja Oil Company under a drilling contract; that drilling operations were commenced by the said Winston Marks during, or shortly after, the month of January, 1938; that said well proved to be a dry hole, and no oil, gas, carbon dioxide, or any other mineral or mineral product whatever was encountered in substantial quantities or in paying quantities; that during, or prior to, the month of December, 1938, the said Winston Marks abandoned all drilling operations on said well, and, ever since that time, said well has been utterly abandoned and neglected; that National Surety Corporation, as owner of the casing, seeks permission of this Commission to pull said casing and remove same from said well.

## III

That in order to obtain permission of this Commission to drill said well, the said Winston Marks filed with this Commission her bond in the sum of \$5,000.00, conditioned among other things for the plugging of said well in accordance with the program approved by the Oil Conservation Commission through the state geologist, when dry or when abandoned in such way as to confine the oil, gas, and water in their respective

strata in which they are found and to prevent them from escaping into other strata; that the said National Surety Corporation executed said bond as surety for the said Winston Marks; that said bond was dated the 14th day of January, 1938, and is now on file with this Commission; that, since said well is a dry and abandoned well and all drilling operation have been abandoned for more than one year, it is incumbent on the said National Surety Corporation to comply with the provisions of said bond for the plugging of said well; said National Surety Corporation by this petition seeks permission of the Commission to plug said well in such manner as the Commission may require.

WHEREFORE, said National Surety Corporation prays:

1. That the Commission determine the status of the said well as an abandoned well.

2. That the said petitioner be permitted by the Commission to pull the said casing above mentioned and remove the same from the said well.

3. That the petitioner be permitted to plug the said well in accordance with the requirements of the Commission and in such manner as the Commission may direct.

4. That such notices be given and such hearing be held hereon as the Commission may require to the end that at the earliest convenient time the substantial relief hereinabove prayed for may be granted.

5. That the petitioner have such other, further, and different relief as to the Commission may seem proper.

NATIONAL SURETY CORPORATION, Petitioner

By



Its Attorney

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

G. W. Robertson, being first duly sworn according to law, on his oath deposes and says that he is one of the attorneys for the petitioner, National Surety Corporation, and that he is duly authorized to make and does make this verification for and on behalf of said petitioner for the reason that said petitioner is a corporation; that he has read the above and foregoing Petition and knows the contents thereof.

and that the matters and things therein stated are true as he is informed and verily believes.

*G. W. Robertson*

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Subscribed and sworn to before me this 11th day of March,  
1940.

*Hazel Surdley*

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My commission expires  
Nov. 20, 1941

Notary Public

EXHIBIT "A"

RENTAL AGREEMENT

This Agreement made and entered into this 11th day of July, 1938, by and between Morris Zeligson, Party of the First Part, and Winston Marks, Party of the Second part, as follows:

WHEREAS, Party of the First Part is the owner of approximately 1200 feet of 12-1/2" Casing, now located in the vicinity of Ellis, Kansas, and

WHEREAS, Party of the Second Part is now drilling a well for oil and gas upon the following described lease in Colfax County, New Mexico, being SE NW 1/4 Sec. 5. TNP 25 N R 24 E

Party of the First Part agrees to rent and furnish above mentioned casing to Party of the Second Part under the following terms and conditions:

Party of the Second part is to pay Party of the First Part the sum of \$500.00, and the cost of hauling from the present location to the drilling location, and an additional consideration of one 80-acre lease to be an offset to the drilling well, and an 80-acre lease within one mile of the drilling well, These payments to cover a rental period of 120 days.

In the event the well is a producer, Second Party will retain casing at a price of \$2.15 per foot for the Lapweld, and \$2.50 per foot for whatever Seamless is furnished. Said title to casing to remain in First Party's name unless and until full and complete payment is made by Second Party.

In the event of a dry hole, Second Party is to pay for any and all damages to the casing or collars and threads, and to pay for any pipe that may not be recovered from the well at prices hereinbefore mentioned. It will be assumed by both parties that the threads and collars are to be in first class order before running in the hole unless otherwise notified by Second Party before running, and when pipe recovered in event of dry hole, First Party will have same inspected at the drill-

ing location who will at that time designate any damages.

Party of the Second Part agrees to assume all responsibility in connection with the use and running of above casing and saves Party of the First Part free and harmless from any responsibility whatsoever as to the performance or representation of this casing, but Second Party to have full privilege of inspection of casing before running into well and at the time of loading, and to accept only pipe which is satisfactory upon the inspection.

Party of the Second Part agrees to either return or pay for the casing within or at the expiration of 120 days from the signing of this agreement. In the event casing is to be returned, Party of the Second Part will re-deliver casing to the vicinity of its present location free of any cost to First Party.

IT IS AGREED by both parties that accompanying this agreement, Party of the Second Part will furnish a guarantee to indemnify and save First Party harmless from any liens and encumbrances, and to guarantee the performance of Party of Second Part in this agreement in its entirety. Said indemnification to specifically refer to this agreement and its particulars, such as against liens, value of material and re-delivery.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals this 11th day of July, 1938.

Morris Zeligson  
Party of the First Part

Winston Marks  
Party of the Second Part

STATE OF TEXAS        )  
                          ) ss.  
COUNTY OF POTTER    )

Before me, the undersigned authority, a Notary Public, in and for Potter County, Texas, on this day personally appeared Winston Marks a feme sole, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 11th day of July,  
A. D. 1938.

(SEAL)

W. S. Eakens  
Notary Public, Potter County, Texas

STATE OF OKLAHOMA    )  
                          )   ss.  
COUNTY OF TULSA     )

On this, the 10th day of August, 1939, before me personally  
appeared Morris Zeligson, to me known to be the identical person described  
in and who executed the foregoing instrument and acknowledged that he  
executed the same as his free act and deed.

(SEAL)

Maxine Witt  
Notary Public

EXHIBIT "B"

BILL OF SALE  
&  
ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS: That I, Morris Zeligson, in consideration of the sum of One (\$1.00) Dollar, and other good and valuable consideration, to me in hand paid, by National Surety Corporation, the receipt of which is hereby acknowledged, have granted, bargained, sold and assigned, and by these presents do hereby grant, bargain, sell and assign unto National Surety Corporation, its successors or assigns, all of my right, title, interest in, to, or concerning, the following described property, located in or about a partially drilled test well, the drilling of which was commenced by Winston Marks, on the Southeast Quarter (SE $\frac{1}{4}$ ) of the Northwest Quarter (NW $\frac{1}{4}$ ) of Section Five (5), Township Twenty-Five (25) North, Range Twenty-four (24) East, Colfax County, New Mexico, to-wit:

29 Joints, 774-3/4 feet of 12 $\frac{1}{2}$  inch lapweld casing.

15 Joints, aggregating 447-3/4 feet of 12 $\frac{1}{2}$  inch seamless casing

to have and to hold the same unto the said National Surety Corporation, its successors and assigns forever: PROVIDED HOWEVER, that this assignment is made without warranty, and assignor has not at any time, prior or subsequent to a contract with Winston Marks, encumbered this property.

Dated this the 28th day of July, 1939.

Morris Zeligson  
Morris Zeligson.

WITNESSES TO SIGNATURES:

G. C. Spillers  
Name

Tulsa, Okla.  
Address

Anne Spillers  
Name

Tulsa, Oklahoma.  
Address

STATE OF OKLAHOMA )  
                          ) SS.  
COUNTY OF TULSA   )

Before me, Frances Thompson, a Notary Public, within and for the State of Oklahoma, on this the 28th day of July, 1939, personally appeared Morris Zeligson, to me known to be the identical person who executed the above and foregoing Bill of Sale, and acknowledged to me that he executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

In witness whereof, I have hereunto subscribed my name and affixed my seal the day and year first above written.

(SEAL)

Frances Thompson  
Notary Public.