



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

TONEY ANAYA
GOVERNOR

October 11, 1985

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161

Mr. Jeff Taylor
Attorney
Oil Conservation Division
Box 2088
Santa Fe, NM 87501

Case 8741

SUBJECT: Order to Plug Wells - Rapid Company, Inc.

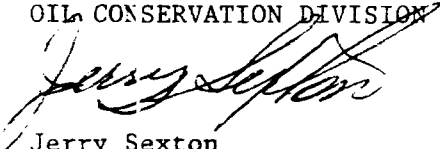
Dear Mr. Taylor:

A deadline of October 9, 1985, was given to Mr. Rainey McKay of Rapid Company to commence plugging operations on wells listed below. As of this date, we have had no indication from Mr. McKay that plugging operations have begun. I recommend the Oil Conservation Division initiate a show cause hearing for the plugging of these wells.

Punch #1-J	S 11, T12S, R34E
Ranger Lake #1-N	S 11, T12S, R34E
Ranger Lake #3-N	S 11, T12S, R34E
Texas Pacific AH St #1-F	S 14, T12S, R34E
Ranger Lake SWD #1-H	S 15, T12S, R34E

Very truly yours,

OIL CONSERVATION DIVISION


Jerry Sexton
Supervisor, District I

JS/ED *Evelyn Downs*

cc: Mr. Rainey McKay
Rapid Company
P.O. Box 1231
Lovington, NM 88260

396-4053



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

December 19, 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Rapid Company
P. O. Box 1231
Lovington, New Mexico 88260

Re: CASE NO. 8741
ORDER NO. R-8099

Applicant:

OCD (Rapid Company, Inc.)

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

R. L. STAMETS
Director

RLS/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other American Employers' Insurance Company

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

April 15, 1987

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

American Employers Insurance Co.
Johnny Johnson Insurance
P. O. Box 231
Midland, Texas 79702

Re: Blanket Plugging Bond No. AE 71346-31
Rapid Company, Inc., Principal

Dear Sir:

This letter constitutes demand by the State of New Mexico Oil Conservation Division that the above-referenced bond be paid in full for failure to comply with the conditions of the bond, i.e., to plug and abandon the wells covered. On November 21, 1985 a hearing was scheduled upon motion of the Division to show cause why certain wells owned by The Rapid Company and covered by the referenced bond should not be plugged and abandoned. Although notice was sent to you (copy enclosed) and Rapid Company, no one appeared in opposition and on December 18, 1985 an order was issued to plug the wells in question. Because Rapid Company is apparently insolvent, the State of New Mexico has arranged to plug the wells.

Our records indicate that the bond is a \$50,000 Blanket Bond. Please remit this amount by check, payable to the State of New Mexico.

If you have any questions regarding this matter, you may contact me at (505) 827-5805.

Sincerely,

JEFFERY TAYLOR,
General Counsel



Commercial Union Insurance Companies
1200 Golden Key Circle - Suite 205
P. O. Box 917001
El Paso, Texas 79925
Telephone: (915) 594-4448

June 18, 1987

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: OE1 - 00752F
Rapid Company, Inc. - Principal
State of New Mexico - Oblige

Attention: Jeffrey Taylor,
General Counsel

Dear Mr. Taylor:

We enclose our check in the amount of \$50,000.00 in full and final release under bond No. AE71346-31. We also enclose our Release and Assignment-Surety.

Please see that the release is signed by a person with authority to do so and return to us.

We also ask that the check be held in escrow until the release has been mailed to us.

Sincerely yours,

A handwritten signature in cursive script that reads 'C. A. Loweree'.

C. A. Loweree, Adjuster
El Paso Claim Department

CAL/dnt

cc: H. O. Bond Claim - b0405
Attention: Harvey Green

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



June 25, 1987

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Commercial Union Insurance
Companies
P. O. Box 937001
El Paso, Texas 79925

Attention: C. A. Loweree

Re: \$50,000 Blanket Plugging Bond
Rapid Company, Inc., Principal
Bond No. AE 71346-31
Your No. OE1-00752F

Dear Mr. Loweree:

The Oil Conservation Division hereby approves release of
the above-referenced blanket plugging bond effective
June 24, 1987.

Sincerely,

WILLIAM J. LEMAY,
Director

dr/

cc: Oil Conservation Division
Hobbs, Artesia, Aztec

RELEASE AND ASSIGNMENT - SURETY

In consideration of Fifty Thousand & No/100----- Dollars (\$50,000.00),
State of New Mexico Energy & Minerals Department
the receipt of which is hereby acknowledged, Oil Conservation Division,
hereinafter called the Claimant, does hereby release and forever discharge the American Employers
Insurance Co. from any and all claims under bond(s) numbered AE 71346-31
and dated September 30, 1980 wherein Rapid Company, Inc.
_____ is Principal, State of New Mexico Obligee, and
American Employers Insurance Co. Surety, and said Claimant does hereby release and

forever discharge said American Employers Insurance Co. from any and all liability for labor and/or materials furnished said Principal and/or used in connection with the performance of the contract described in the aforesaid bond.

In further consideration of the aforesaid payment, the said claimant does hereby sell, assign, transfer and set over to said American Employers Insurance Co. all its right, title and interest in and to the aforesaid claim for labor and/or material furnished, against the said Principal and against any other individual, firm, corporation or fund.

Witness the signature and seal of said claimant this 31 day of April 1981.

Witness

ATTEST:

Doris Richardson

Claimant.

If Individual:

my Comm. Expires: Oct. 28, 1989

STATE OF _____ } ss.:
COUNTY OF _____ }

On this _____ day of _____, 19____

before me personally came _____ to me known, and known to me to be the person, described in, and who executed the foregoing instrument, and acknowledged to me that he executed the same.

If Corporation:

(Notary Public)

STATE OF _____ } ss.:
COUNTY OF _____ }

On the _____ day of _____ in the year _____

before me personally came _____ to me known, who, being

by me duly sworn, did depose and say: that he resides in _____ that he is the

_____ of the _____;
the corporation described in and which executed the above instrument; that he knew the seal of said corporation that the seal affixed to said instrument was such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

(Notary Public)

0E1-00752F-01-01
E104-CONTRACT BONDS

INSD:
CLMT:

1 RAPID COMPANY, INC
RAPID COMPANY, INC

HE373994

5144
119

DATE OF LOSS 08-01-85

Commercial Union Insurance Companies

HE37399-4

IN PAYMENT OF RELEASE OF ALL CLAIMS UNDER
BOND NUMBER AR71346-31

PAY DATE	JUNE 21, 1987
PAY	\$*****50,000.00**

*****FIFTY THOUSAND AND 00/100 Dollars

NOT VALID AFTER 90 DAYS FROM ISSUE

PAY TO THE
ORDER OF
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

AUTHORIZED
SIGNATURE
IF \$10,000 OR OVER TWO SIGNATURES REQUIRED
AUTHORIZED
SIGNATURE
CONNECTICUT NATIONAL BANK
HARTFORD, CT

"107043399" "011900445"

4253"



Insurance

DETACH AND RETAIN THIS PORTION FOR YOUR RECORDS

EXPLANATION OF PAYMENT

HE373994

COMMERCIAL UNION INSURANCE COS
P. O. BOX 937001
EL PASO, TX 79925-

CHECK DATE: 06-21-87
CHECK AMOUNT: \$ 50,000.00

PAY TO
N.M. ENERGY & MINERAL DEPT
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

INSURED:
POLICY NO.: AR-7134631
DATE LOSS: 08-01-85
CLAIM NO.: 0E1-00752F-01-01 (E104)
CLAIM TYPE: CONTRACT BONDS
CLAIMANT: RAPID COMPANY, INC
AGENT: JOHNNY JOHNSON INSURANCE

MAIL TO N.M. ENERGY & MINERAL DEPT
P. O. BOX 2088

JOHNNY JOHNSON INSURANCE
P. O. BOX 251

SANTA FE, NM 87501

MIDLAND, TX 00000

IN PAYMENT OF RELEASE OF ALL CLAIMS UNDER
BOND NUMBER AR71346-31

G41521-2

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

MEMORANDUM

TO: CONNIE ROMERO, ASD

FROM: JEFF TAYLOR, OCD

RE: BOND FORFEITURE

Enclosed is a check in the amount of \$50,000, being the full proceeds of a bond held in favor of the state with Rapid Company as principal for well plugging. As Rapid Company failed to properly plug and abandon several wells, the bond was ordered forfeited. We have contracted to have the subject wells plugged by Baber Inc. and invoices will soon be presented for payment for that work. This check should be deposited in the Oil and Gas Reclamation Fund.

Thank you.

June 24, 1987