

May 7, 1954

Mr. Paul B. Palmer  
Farmington, N.M.

Re: Palmer Associates #1 Hutton  
SW, Sec. 17-29N-13W

Dear Mr. Palmer

I would like to briefly review the situation concerning the plugging of the above captioned well, and point out to you the necessity of immediately completing the plugging of this well.

In August, 1953, you were notified by R. R. Spurrier, Director of the Oil Conservation Commission in Santa Fe to immediately take steps to plug this well or the Oil Commission would take steps to call an open hearing for the purpose of having both you and the bonding company show cause why the well should not be plugged. A notice of intention to do this work had been filed with our office on December 22, 1952 by Mr. Sam J. Carson, who signed as your agent. The plugging program was approved by this office on December 22, 1952. Finally, late in August, 1953, Mr. Carson moved a crew to the rig and cement with which to do the plugging job. I made a personal inspection of the lease at that time and saw that preparations were being made to plug. This 25-sack plug was cemented in the Pictured Cliffs formation, extending into the production casing. However, this information has never been formally filed with this office. It was learned by personal inspection and conversation with Mr. Carson. Mr. Carson also stated that he wished to release the well to Mr. Hutton, the landowner, as a water well. This could be done, providing form C-103 was filed showing that the Pictured Cliffs sandstone was plugged and providing Mr. Hutton accepts responsibility for the well in writing. In the event that he will not accept responsibility, then a cement plug must be placed in the surface with heavy mud between plugs and a 4" marker left extending four feet above ground level.

Unless some action is taken within the next 7 days we will take steps to initiate a hearing before the Oil Conservation Commission in Santa Fe to have you and the bonding company show cause why the well should not have the plugging job finished.

Yours very truly,

ECA:skc

cc: Ritter General Agency  
310 South 3rd St., Albuquerque, N.M.

Oil Conservation Commission, Santa Fe, N.M.

Mr. Sam Carson, Farmington, N.M.  
Mr. Sam Hutton, Farmington, N.M.

Emery C. Arnold  
Oil & Gas Inspector, Dist. #3