Casa Mo.

Application, Transcript,
5 mill Exhibits, Etc.

OFFICE OF ATTORNEY GENERAL SANTA FE

	Œ	T/3	193. 8
Respectfully	referred	} to	
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	1. le		······································
for your (info	rmetion)-(at	t ontion)-(neces	sary action).
	Fred	Attorney	edu
•	0	Attorney	General.
Remarks:			

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Form No. 2

IN THE DISTRICT COURT WITHIN AND FOR THE COUNTY OF MCKINLEY AND STATE OF NEW MEXICO

R. A. NIPPER and DAVID FINKELETEIN,

Pleintiffs,

vs.

No. 5586

OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO,

Defendant.

ORDER OVERRULING DEMURRER

This matter was regularly heard at Gallup, New Mexico, on the 11th day of October, 1938, upon the plaintiffs' demurrer to the answer of the defendant commission, and the court having heard the argument of counsel and being fully advised in the premises, ORDERS as follows:

I.

That the plaintiffs' demurrer to the answer of the defendant commission be and the same is hereby in all respects overruled.

II.

That plaintiffs be and they are hereby allowed twenty days from the date of this order in which to plend further to the answer of the defendant commission.

III.

That an exception be and the same is hereby allowed plaintiffs to the court's ruling herein.

DATED this 134 day of October, 1938.

David Chang J. District Judge.

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

MISCELLANEOUS NOTICES

Submit this notice in triplicate to the Oil Conservation Commission or its proper agent before the work specified is to begin. A copy will be returned to the sender on which will be given the approval, with any modifications considered advisable, or the rejection by the Commission or its agent, of the plan submitted. The plan as approved should be followed, and work should not begin until approval is obtained. See additional instructions in the Rules and Regulations of the Commission.

Commission.	dicate nature of	notice by checking below:
NOTICE OF INTENTION TO TEST C. SHUT-OFF	ASING	NOTICE OF INTENTION TO SHOOT OR CHEMICALLY TREAT WELL
NOTICE OF INTENTION TO CHANG	E PLANS	NOTICE OF INTENTION TO PULL OR OTHERWISE ALTER CASING
NOTICE OF INTENTION TO REPAI	R WELL	NOTICE OF INTENTION TO PLUG WELL
NOTICE OF INTENTION TO DEEPE	N WELL	
	Pampa, Tex	as, December 14, 1937
OIL CONSERVATION COMMISSION	i Tanan kanalah	and the second s
Santa Fe, New Mexico.		
Gentlemen:		
Following is a notice of intention to do	certain work as d	escribed below at the
Company or Operator	Lases	Well No. 3 in
of Sec. 29 , T. 18 N , R	8 W., N.	M. P. M., HOSPAH STRUCTURE Field
	County.	
FULL D	ETAILS OF P	ROPOSED PLAN OF WORK
FOLLOW INSTRUCTION	NS IN THE RUL	ES AND REGULATIONS OF THE COMMISSION
unless other instruct Commission. This is an applica simply a suggestion a well should be plugge We are willing to be Conservation Commissi be plugged, or whethe	tions are given to the mode, as a paragoverned en as to the rit should an Commission Commission are the configuration commission com	shall cement a steel marker or over above ground level, iven us b. The Oil Conservation ll the casing. The foregoing is ethod by which we believe the rt of the pulling of the casing. Intirely by the desires of the menner in which the well should be plugged at all. The casing may be deemed most advisable, ion shall furnish detailed ing of the same.
Approved	40	R. A. NIPPER & DAVID FINKELSTEIN
	19	Company or Operator
except as follows:		By David Finkelstein (sgd.)
•		•
		Position Send communications regarding well to
OIL CONSERVATION COMMI	SSION,	Name D. A. Finkelstein
	•	Address Box 1376, Pampa, Texas
Ву		THUE CO
On the contract of the contrac		

NEW MEY'CO OIL CONSERVATION COMMISSION

Santa Fc, New Mexico

MISCELLANEOUS NOTICES

Submit this notice in triplicate to the Oil Conservation Commission or its proper agent before the work specified is to begin. A copy will be returned to the sender on which will be given the approval, with any modifications considered advisable, or the rejection by the Commission or its agent, of the plan submitted. The plan as approved should be followed, and work should not begin until approval is obtained. See additional instructions in the Rules and Regulations of the Commission.

Commission.	ee additional instructions in the Rules and Regulations of notice by checking below:	ti
NOTICE OF INTENTION TO TEST CASING SHUT-OFF	NOTICE OF INTENTION TO SHOOT OR CHEMICALLY TREAT WELL	
NOTICE OF INTENTION TO CHANGE PLANS	NOTICE OF INTENTION TO PULL OR OTHERWISE ALTER CASING	
NOTIGE OF INTENTION TO REPAIR WELL	NOTICE OF INTENTION TO PLUG WELL	
NOTICE OF INTENTION TO DEEPEN WELL.		
Pempa, Tex	tas, December 14, 1937	
OIL CONSERVATION COMMISSION,	Place Date	
Santa Fe. New Mexico.		
Gentlemen:		
	lescribed below at the	
H. L. Williams	Well No. 4 in	
Company or Operator Lease	M. P. M., HOSPAH STRUCTURE Fie	-1.
McKinley County.	M. P. M.,	210
- County	-	
	ROPOSED PLAN OF WORK	
FOLLOW INSTRUCTIONS IN THE RUL	ES AND REGULATIONS OF THE COMMISSION	
on top of the surface four feet ground, unless other instruction	string a plug in the well and shell cement a steel marker or over above the level ons are given us by the Oil	
simply a suggestion as to the mell should be plugged, as a pare willing to be governed e	rt of the pulling of the casing. Intirely by the desires of the Con-	
plugged, or whether it should b	menner in which the well should be be plugged at all. The casing will	
the Conservation Commission share regarding the Pulling of the sa	be deemed most advisable, unless ll furnish detailed instructions	
148 out Sarring or and an		
	R. A. NIPPER and DAVID FINKELSTEIN	ī
Approved 19	Company or Operator	
except as follows:	By David Finkelstein (sgd.)	
	Position Send communications regarding well to	
OIL CONSERVATION COMMISSION,	Name D. A. Finkelstein	
Ву	Address Box 1376, Pampa, Texas	
Title		

March 5, 1941.

Er.E. Stiffler, Box 1107 Borger, Texas.

RE: H.L. Williams Wells, Seven lakes Area, Nos. 3 and 4. No. 3 located on Sec. 29-18N-80 and No. 4 located on Sec. 19-18N-80. McKinley County.

Dear Wr. Stiffler:

In reply to your letter of February 28, with regard to the above captioned wells, it is suggested that you take the matter up direct with Er. H.L. Hilliams, whose address is Prescott, Agisons.

The removal of the casing by calvage by parties in part represented by Er. Shoads of Borger, Texas, was a matter of hearing before the Commission a few years ago. The Commission denied Hipper and Finkelstein, applicants, permission to remove the casing from two of the H.L. Milliams wells. The applicants them took the matter to the District Court at Gallup, and as I recall, was disposed of by the state upon demarges. That being the last information in the writer's files upon the matter.

Very truly yours,

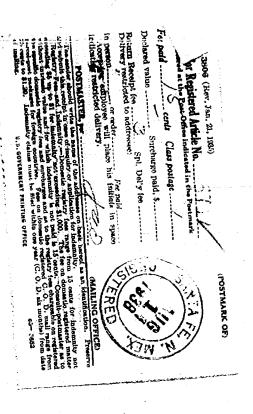
ec Hon. E.B. Wright Attorney at Law Santa Fe, N.F. OIL CONSERVATION COMMISSION

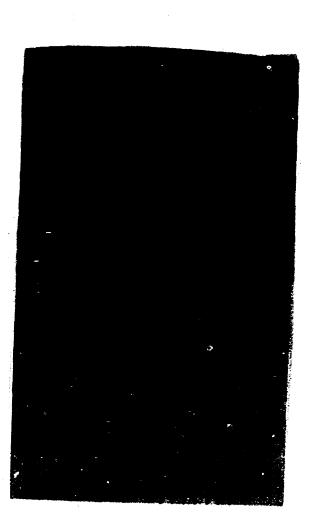
. Carl B. Livingston Attorney

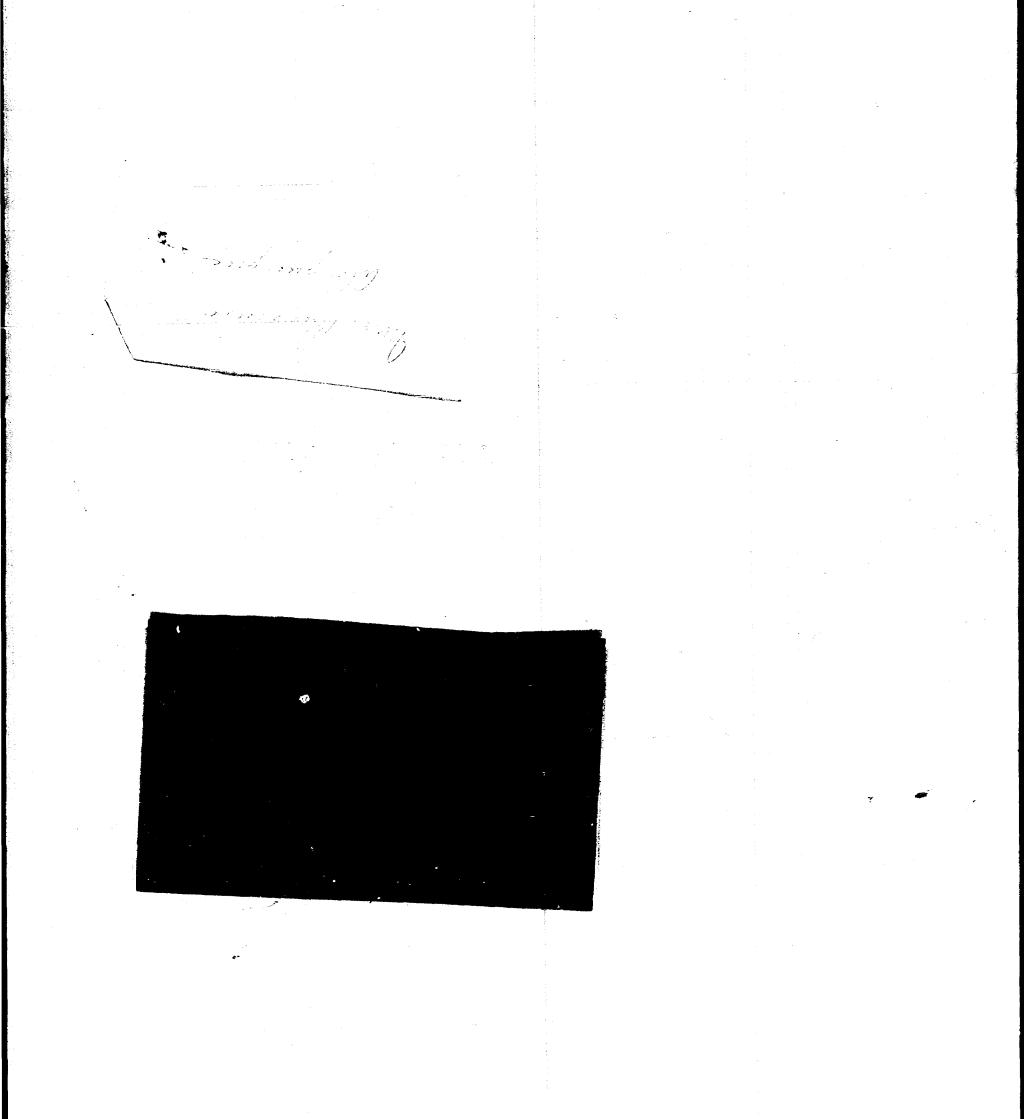
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August 1, 1938

Mrs. Jessie Blessum 210 First National Bank Bldg., Albuquerque, N. M.

Re: Case No. 11
H. L. Williams
Wells Nos. 3 & 4.

Dear Mrs. Blessum:

Enclosed you will find letter from Henry S. Glascock, Esq., which letter is self-explanatory.

Regarding the exhibits, they are being sent you under separate cover, by registered mail.

Very truly yours,
OIL CONSERVATION COM ISSION

By

Carl B. Livingston Attorney

August 1, 1938

Denny & Glascock Attorneys at Law Gallup, New Mexico

Re:

Case No. 11 H. L. Williams Wells Nos. 3 & 4.

ATTENTION: Henry S. Glascock, Esq.

Gentlemen:

Your letter of July 29, regarding cost of transcript of testimony in the above designated hearing is being referred to Mrs. Jessie Blessum, First National Bank Building, Albuquerque.

Very truly yours,

CIL CONSERVATION COMMISSION

ВУ_ Carl B. Livingston Attorney

CBL:M

Court Reporter Public Straggrapher

JESSIE BLESSUM 210 X90X FIRST NATIONAL BARK PRONE 1279

PRONE 1279
ALBUQUERQUE, N. M.

NOTART PUBLIC

July 30, 1938

Mr. Carl B. Livingston, State Land Office, Santa Fe, N. M.

1

Dear Mr. Livingston:

I would appreciate it very much if I could be mailed the exhibits in Oil Conservation Case No. 12 in which I am writing up the testimony. There were portions read from them and I need them for the spelling of names; in fact, when I am writing up a case I always keep the exhibits at hand for reference and I feel lost without them. I will take good care of them and return them with the transcript.

Hope Mrs. Masters was available immediately and that you are functioning again comfortably with some one to do your filing, etc., as well as the work I did for you.

Thanking you,

Sincerely,

Jessie Blessum

July 28, 1938

Denny & Glascock, Attorneys at Law Gallup, New Mexico

Reed Hollomen, Isq., Santa Fe, New Mexico

E. R. Wright, Esq., Santa Je, New Mexico

Re: Applications of Ripper and Finkelstein to have declared H. L. Williams Wells Nos. 3 and 4 as abandoned and to pull easing from same said wells. Canall

Contlemen:

Enclosed you will find copy of the Commission's Order No. 128, making determination upon the two applications as noted in the caption.

Yery truly yours,

OIL COMBERVATION COMMISSION

Carl B. Livingston Attorney

CBLim

enol.

June 22, 1938

Messrs. Denny & Clascock, Attorneys-at-law, Gallup, N. M.

Re: Application of R. A. Mipper and David Finkelstein to pull casing. Case No. 11.

Gentlemen:

Enclosed is a motion for further continuance of Case No. 11. In that it appears that the case could not be satisfactorily disposed of without Williams' testimony, the matter has been continued.

Very truly yours,

OIL CONSERVATION CONVISSION

Carl B. Livingston Attorney

CBL: b Enc.

DENNY AND GLASCOCK ATTORNEYS AND COUNSELORS AT LAW GALLUP, NEW MEXICO

HERBERT C.DENNY

June 20, 1938



Oil Conservation Commission Santa Fe, New Mexico

Gentlemen:

We enclose herewith a copy of a wire which we have sent to Judge Wright, in connection with his desire to continue the Nipper and Finkelstein hearing.

Our clients have already made their plans for the hearing at this time. Mr. Ripper was here Saturday from Pampa, Texas. He went to Colorado and was planning to be back in time for the hearing. We are not at all satisfied that we could locate him in time to notify him of a continu-

Mr. Williams must have known of the date set for the hearing at the time he left on his eastern trip. We feel that he should have arranged his plans so that he would be in Santa Fe at the time of the hearing if an adverse ruling thereon would damage him as set forth in his affidavit.

Very truly yours,

Helascoch.

HSG:EH

Enc.

cc: E. R. Wright Attorney at Law Santa Fe, New Lexico

	SERVICE DESIRED
TELEGRAM	FULL RATE
DAYLETTER	DEFERRED
MIGHT MESSAGE	NIGHT LETTER
MIGHT	SHIP
Profress should a	their class of service ise message will be

Copy of WESTERN UNION TELEGRAM

June 20, 1938

Our elients will not permit us to agree to a continuance on account of the expense they have been put to by former seventh of this month.

DENNY AND GLASCOCK



DENNY AND GLASCOCK ATTORNEYS AND COUNSELORS AT LAW GALLUP, NEW MEXICO

HERBERT C. DENNY

June 14, 1938



Oil Conservation Commission of the State of New Mexico Santa Fe, New Mexico

> Re: Application of R. A. Nipper and David Finkelstein to pull casing. Case No. 11.

Gentlemen:

We enclose herewith response to affidavit to be filed in the above-entitled matter. We also enclose a form of subpoena which we wish to have issued. It appears to us that this subpoena should issue in behalf of the Commission itself. If the Commission does not wish to subpoena Mr. Williams, then we wish you would kindly insert the names of the applicants in the blank space and have it issued in behalf of the applicants. We believe that the delivery of an executed copy of said subpoena to Judge Wright would constitute sufficient. service. Flease do this for us at an early date.

A copy of this letter, a copy of the response, and a copy of the subpoena go to Judge Wright.

Very truly yours,

DENNY AND GLASCOCK

T.S. Glascock.

HSG:EH

Encls.



E. O. HEMENWAY

LAND COMMISSIONER
SANTA FE PACIFIC RAILBOAD COMPANY

ALBOQUERQUE, N. H. Milify about I L. William

kay 18, 1938

Mr. E. O. Hemenway, Land Commissioner, Santa Fe Pacific Railway Co., Albuquerque, N. M.

Re: H. L. Williams Wells
Cases No. 11

Dear Mr. Hemenway:

The hearing upon the petition of Finkelstein and Nipper to have declared two of the H. L. Williams wells as abandoned, and the petition of same said parties to withdraw casing from same said wells is continued to June 27, 9 A. M. I understand that the two wells in question are located upon a lease from the Santa Fe Railway Company.

Very truly yours,

OIL CONSERVATION COMMISSION,

By

Carl B. Livingston Attorney

CBL: b

Hem. R. R. Wright, Atterney Senta Pe, New Mexico

> Ret Case No. 11. Application of R. A. Nipper and David Pinkelstein to pull easing from and to plug H. L. Filliams wills Nos. 3 and 4. Hefinley County.

Deer Mr. Wright:

As requested, the hearing on the above emptioned multiples continued and will be heard in the effice of the Oil Conservation Commission at Santa Fe, Newday, June 27th, at 9:00 ofclock, A.M.

Very truly yours,

OIL CONSERVATION CONCISSION

Carl B. Livingston Attorney

CRL:LAQ Copy to H. S. Glassock Gallup, N.M.

HERBERT C. DENNY ATTORNEY AND COUNSELOR AT LAW GALLUR, NEW MEXICO

April 25, 1938

Mr. Carl B. Livingston, Attorney Oil Conservation Commission Santa Fe, New Mexico

Dear Sir:

Since receiving your letter of the 12th inst., advising us of the resetting of the Nipper and Finkelstein matter, it has developed that we will be engaged in litigation in the District Court of McKinley County throughout that week and most of the following week. It is our desire that this case be reset for some time following the first of June.

A copy of this letter goes to Judge Wright, and will serve as a request that he call your office and agree to the resetting.

Flease advise us of your action in the premises.

Very truly yours,

DENNY AND CLASCOCK

By H. J. Glaswork;

HSG: LH

Continued: Jun 27 th

Hon. E. R. Wright, Attorney Santa Fe, New Mexico

Re: Case No. 11. Application of R. A. Nipper and David Finkelstein to pull casing from and to plug H. L. Williams wells Nos. 3 and 4. McKinley County.

Dear Mr. Wright:

Enclosed you will find the Commission's order continuing the hearing of the above designated cause, which, by this order, is set for May 12, 1958.

Very truly yours,

OIL COMSERVATION COMMISSION

Carl B. Livingston Attorney

non. E. C. Iden Reid & Iden First National Bank Bldg., Albuquerque, N. M.

Re: Case Wo. 11. Application of R.A. Nipper and David Finkelstein to pull casing from and to plug H. L. Williams wells Mos. 3 and 4, McKinley County.

Dear Mr. Iden:

Enclosed you will find the Commission's order continuing the hearing of the above designated cause, which, by this order, is set for May 12, 1938.

Very truly yours,

OIL CONSERVATION COUNTSSION

Carl B. Livingston Attorney

April 12, 1938

Mrs. C. H. Scott 3218 Linwood Blvd. Kansas City, Mo.

Re: Case No. 11. Application of R. A. Nipper and David Finkels; stein to pull casing from and to plug H. L. Williams wells Nos. 3 and 4, McKinley County

Dear Madam:

Enclosed you will find the Commission's order continuing the hearing of the above designated cause, which, by this order, is set for May 12, 1938.

Very truly yours,

OIL CONSERVATION COMMISSION

Carl B. Livingston
Attorney

H. S. Glascock, Esq., Gallup, N. H.

Re: Case No. 11. Application of R.A. Nipper and David Finkel-stein to pull casing from and to plug H. L. Williams wells Mos. 3 and 4, McKinley County.

Dear Mr. Glascock:

Enclosed you will find the Commission's order continuing the hearing in the above designated cause, which, by this order is set for May 12, 1938.

Very truly yours,
OIL CONSERVATION COMMISSION

Carl B. Livingston Attorney

CBL:E

April 7,1938

Mr. Henry S. Glascock, Gallup, A.M.

Dear Sir:-

I am enclosing herewith motion and affidavit to postpone hearing in the matter of the application of R. A. Ripper and David Finkelstein to pull casing from certain wells. The original was filed with the secretary of the Oil Canservation Commission this morning. He directed me to write you requesting your seaction to the same.

If you can agree to it, will you kindly wire me at my expense, so that I can advise the commission. Otherwise, it will be necessary to let the matter stand upon until the commission can rule on the application on April 12th, as Mr. Williams advises that he cannot possibly be present in Senta Fe on the 12th.

Very truly yours,

B. R. irIght

cc Mr. Carl Livingston
Secy, Oil Conservation Com.
Senta Fe, N. ...

HERBERT C. DENNY ATTORNEY AND COUNSELOR AT LAW GALLUP, NEW MEXICO

April 9, 1938

J.S. Glassoch.

Mr. Carl Livingston, __ Oil Conservation Commission Santa Fe, New Mexico

> In re: Application of R. A. Nipper and David Finkelstein to pull

casing and have wells declared

abandoned.

Dear Mr. Livingston:

We have received from attorney E. R. Wright of Santa Fe a copy of his motion to postpone hearing in the above entitled matter.

We have wired Mr. Wright, as follows: "We agree continuance Conservation Commission hearing."

Will you kindly make the re-setting of this case for some time soon after May 12th, and advise us definitely of the date of the setting?

Very truly yours,

DENNY AND GLASCOCK

HSG:e

cc: E. R. Wright Attorney at Law

Santa Fe, New Mexico

April 6, 1938

AIRMAIL

Mrs. C. H. Scott, 3218 Linwood Blvd. Kansas City, No.

Dear Madam:

Your inquiry of several years ago, dated Movember 6, 1933, regarding "Mr. H. L. Williams, independent operator in McKinley County, New Mexico", with respect to operations upon the Hospah structure, was today found in the old files. Inasmuch as the Oil Conservation Commission is to have a hearing on April 12 regarding two wells of H. L. Williams, you are therefore being sent a notice of the hearing, which notice is enclosed for your information.

Very truly yours,

OIL CONSERVATION COMPISSION

Carl B. Livin ston Attorney

CBL: M

December 1, 1933

Mrs. C. H. Scott, 3218 Linwood Blvd., Kenses City, No.

Dear Madam:

This is in reply to your letter of November 24th.

You are advised that the address of Mr. H. L. Williams, Independent Operator in McKinley County, 1s:

Mr. H. L. Williams 803 American Bank Building Seattle, Washington

Very truly yours,

EHW: FF

E. H. Wells, State Geologist.

Kansas eity, mo nor hr 1933 Brof 3. H. Wells Sociono, n. mer. Dear Sin in desirous of getting in touch with Mr. H. R. Williams, Independent operator in mckinley County new mexico. I have an interest his Hospah Structure "4 and any information for can give in regarding modelliams la his operations will be gratefully received. have been referred to for for his address by how mendenhall sometor, washington D.C. is being enclosed for form I am convenience. Thanking for I am convenience. Thanking your story yours 3218 kinwood city, h mas To Siranson.

E. H. WELLS STATE GEOLOGIST



STATE LAND OFFICE

OFFICE OF STATE GEOLOGIST

SANTA PE, NEW MEXICO

Socorro, New Mexico November 29, 1933

Miss Lola Belle Franks State Land Office Santa Fe, N. Mex.

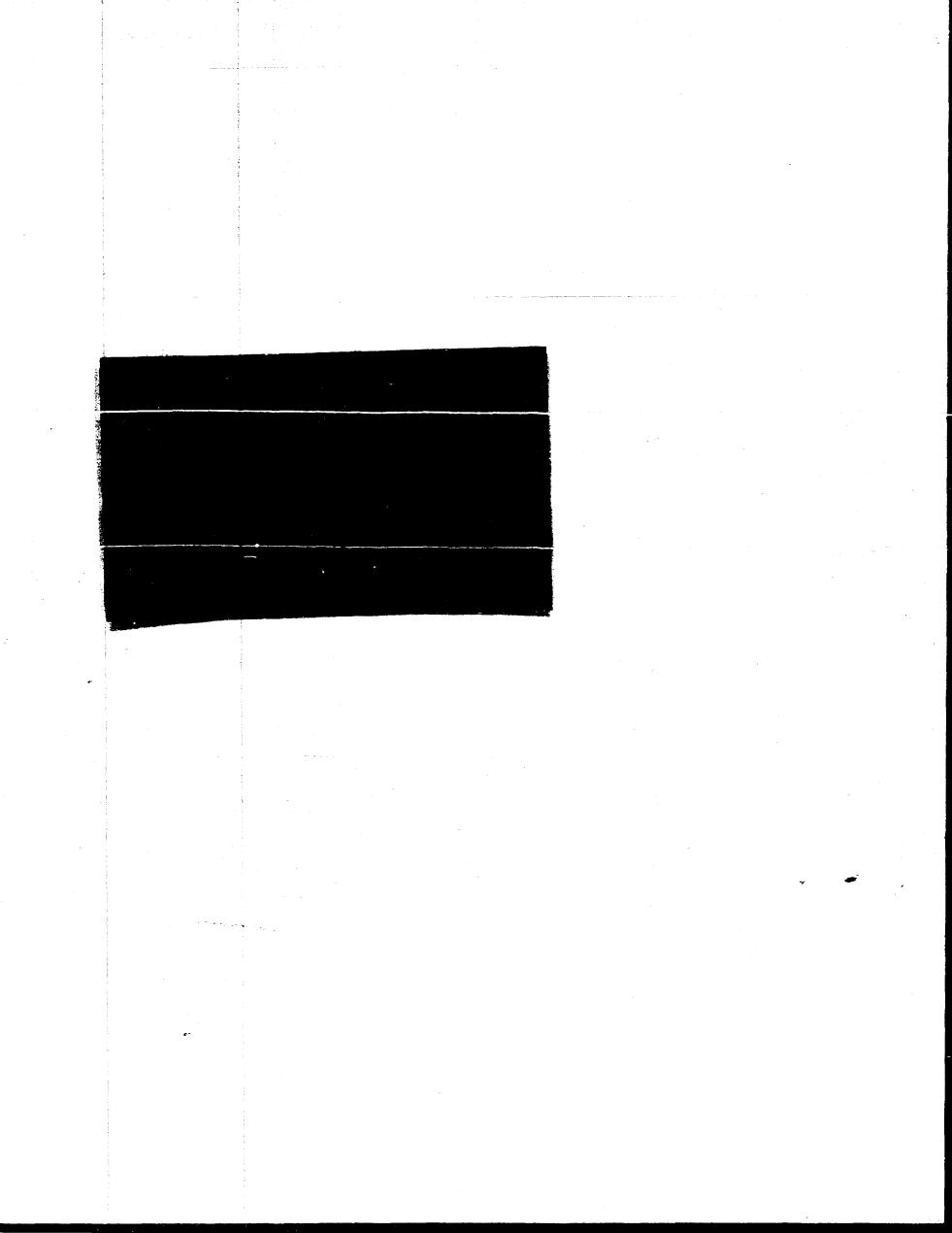
Dear Lola Belle:

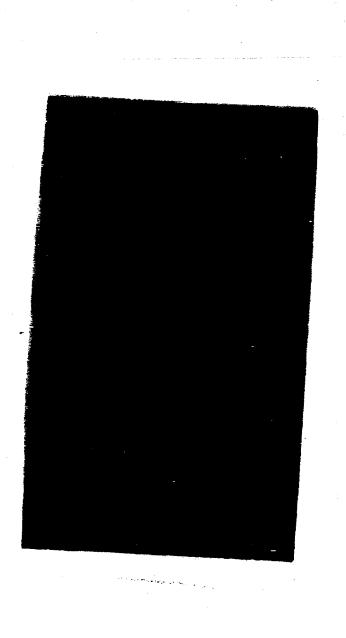
I am referring the attached request for information regarding the address of Mr. H. L. Williams to you for attention. If there is any information of this nature in the files, please write direct to Mrs. Scott.

Very truly yours,

State Geologist

EHW:H





March 18, 1938

RECISTERED - RETURN RECEIFT REQUESTED DELIVER TO ADDRESSEE ONLY.

Mr. H. L. Williams Prescott, Arizona

Re: H. L. Williams Well No. 3, located on Sec. 29, T. 18 N., R. 8 W., N.M.P.M.; H. L. Williams Well No. 4, located on Sec. 19, T. 18 N., R. 8 W., N. M. P. M.

Dear Sir:

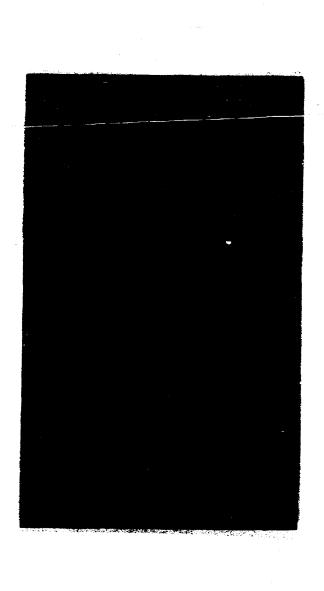
Enclosed herewith is a copy of notice of publication with regard to the application of R. A. Nipper and David Finkelstein to have the above designated wells declared abandoned and to extract the casing therefrom. The notice for publication is being published as a citation to all persons of interest to appear before the Commission at the time and place named in the Notice, to be heard.

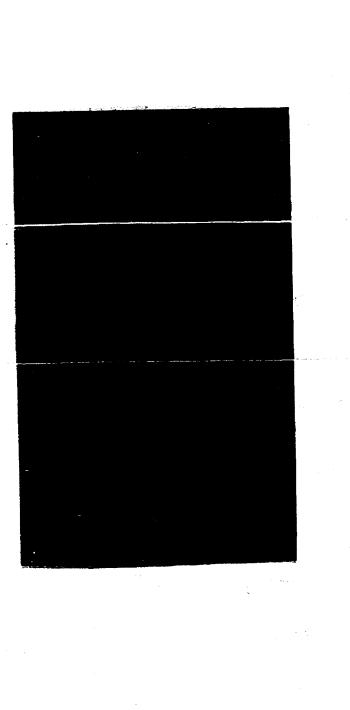
The Commission has suggested that if you have other shareholders or stockholders interested with you in the wells in question, please notify them personally, in order that they may have full opportunity to be heard at the hearing in question which is set for April 12, at 9:00 o'clock A. M., at the Capitol, office of the Oil Conservation Commission, Santa Fe, New Mexico. While the published notice serves legally as notice to all parties, concerned, yet it is the wish of the Commission that you and all others interested have direct and actual notice wherever possible.

Very truly yours,

OIL CONSERVATION COMMISSION

Carl B. Livingston
Attorney





٠.

March 11, 1938

RECISTERED - RETURN RECEIPT REQUESTED.

Mr. H. L. Williams Prescott, Arizona

Re: H. L. Williams Well No. 3, located on Sec. 29, T. 18 N., R. 8 W., N.M.P.M.;
H. L. Williams' Well No. 4, located on Sec. 19, T. 18 N., R. 9 W., M.M.P.M.

Dear Mr. Williams:

Rnclosed herewith is a copy of notice of publication with regard to the application of R. A. Nipper and David Finkelstein to have the above designated wells declared abandoned and to extract the casing therefrom. The notice for publication is being published as a citation to all persons of interest to appear before the Commission at the time and place named in the Notice to be heard.

The Commission has suggested that if you have other share-holders or stockholders interested with you in the wells in question, please notify them personally, in order that they may have full opportunity to be heard at the hearing in question which is set for April 12, at 9:00 o'clock, A. M., at the Capitol, office of the Oil Conservation Commission, Santa Fe, New Mexico. While the published notice serves legally as notice to all parties concerned, yet it is the wishest the Commission that you and all others interested have direct and actual notice wherever possible.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston Attorney

CBL:m

1

March 14, 1938

New Mexico Examiner Santa Fe, New Mexico

Gentlemen:

Enclosed herewith please find Motice for Publication which you are kindly requested to publish once in your next issue, not later than March 18. Please furnish the Commission with a copy of your newspaper containing this publication.

Immediately upon completion of your publication, be sure to transmit to the Oil Conservation Commission your affidavit of publication.

Upon submitting your affidavit to the Commission, please send your statement, in duplicate, together with the enclosed purchase voucher, also in duplicate.

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston Attorney

March 11, 1938

The Gallup Independent Callup, New Mexico

Centlemen:

Enclosed herewith please find Notice for Publication which you are kindly requested to publish once in your next issue, or as soon thereafter as possible, not later than March 18. Please furnish the Commission with a copy of your newspaper containing this publication.

Immediately upon completion of your publication, be sure to transmit to the Oil Conservation Commission your affidavit of publication.

Upon submitting your affidavit to the Commission, please send your statement, in duplicate, to-gether with the enclosed purchase voucher, also in duplicate.

Very truly yours,

OIL CONSERVATION COMMISSION

Carl B. Livingston Attorney_

CBI.:ni

March 1/, 1938

Mr. H. S. Glascock Attorney Gallup, N. M.

Re: H. L. Williams Well No. 3, located on Sec. 29, T. 18 N., R. 8 W., N.M.P.M; H. L. Williams Well No. 4, located on Sec. 19, T. 18 N., R. 8 W., N. M. P. M.

Dear Mr. Glascock:

Enclosed is a notice for publication for hearing upon your two applications, for abandonment and extraction of casing from the above designated wells. The hearing is set for the date given in the notice.

One of these notices is to be published once in the Gallup Independent, and the other in the New Mexico Examiner. When you receive this letter, it might be well for you to give the Independent a ring and caution them to be sure to run the advertisement in question as soon as possible, the Independent having been sent the notice in question at the same time as your letter.

Very truly yours,

OIL CONSERVATION COMMISSION

Ву

Carl B. Livingston Attorney

CBL: 16.

March 1/, 1938

Messrs. Reid & Iden Attorneys First National Bank Bldg., Albuquerque, N. I.

Re: H. L. Williams Well No. 3, located on Sec. 29, T. 18 N., R. 8 W., N.M.P.M.; H. L. Williams Well No. 4, located on Sec. 19, T. 18 N., R. 8 W., N.M.F.M.

Centlemen:

Enclosed is a notice of hearing upon the application of R. A. Nipper and David Finkelstein for the purpose of having declared the above designated wells as abandoned, and to extract casing therefrom.

In the belief that the Atchison, Topeka and Sante Fe Railway has some interest in the land, or perhaps in the wells, you are being sent this direct notice which is being published in the New Mexico Examiner at Santa Fe, and in the Gallup Independent, at Gallup, pursuant to the provisions of Sections 5 and 15, Chapter 72 of the laws of 1935.

This letter and the enclosed notice are not intended as formal personal service, for service by publication is being accomplished, as indicated, but are for your information.

Very truly yours,

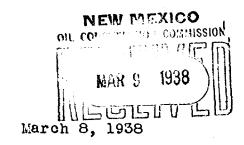
OIL CONSERVATION CONFISSION

By Carl B. Livingston Attorney

CBL:m

HENRY & GLASCOCK

HERBERT C. DENNY
ATTORNEY AND COUNSELOR AT LAW
GALLUP, NEW MEXICO



New Mex. Oil Conservation Commission Santa Fe, New Mexico

Attention: Carl B. Livingston, Atty,

Gentlemen:

This will acknowledge receipt of your letters of the 5th and 7th instant, together with enclosures.

I am unable to determine the exact subdivisions on which these wells are located, as Williams had leases on the entire sections. There are no other wells drilled on either of these sections by H. L. Williams or anyone else. The wells are generally known as H. L. Williams' Wells No. 3 and 4. Well No. 4 is in Township 18-8, rather than 19-8 as indicated in your letter.

So long as there can be no question as to what wells are referred to, I cannot see that it makes any difference whether we describe the exact subdivision of the section, so long as these are the only wells in the sections described. At any rate, please consider the papers as complete, and advise us of the date of hearing with respect thereto.

The only other wells drilled by H. L. Williams were on the even-numbered sections constituting the public domain in this same township. Both of said wells have been plugged under the supervision of the U. S. G. S. They were known as Williams' Wells No. 1 and 2.

Very truly yours,

As Henry S. Glascock

HSG:EH

Mr. H. S. Glascock Attorney at Law Gallup, N. 1.

> Re: H. L. Williams Wells-Pulling of Casing.

Dear Mr. Glascock:

Supplementing my letter of March 5, relative to your petition to the Commission to show cause why the two wells in the above designated matter should not be adjudged by the Commission as abandoned, and your further petition for pulling casing from said wells, please be advised that Mr. A. Andreas, Acting State Geologist, reports that there are no logs on file at the School of Mines pertaining to these wells.

It is highly important that they be accurately described, in order that the Commission's Notice for Publication will, in fact, be notice. Both Mr. Andreas and I are of the belief that the two wells you have in mind are the same two reported in Bulletin No. 9, 0il and Gas Resources of New Mexico by Deane E. Winchester, 1933 Edition, page 89, as set out in my letter to you of March 5. However, this is only a surmise and you should check up and get your wells accurately described.

For that purpose we are returning the following matters:

- 1. Application, in duplicate, by David Finkelstein and R. A. Nipper setting up abandonment of said wells.
- 2. Application, in duplicate, by same said parties for pulling of casing in support of their Miscellaneous Notices, on Form C-102.
 - 3. Form C-102, covering each well, in triplicate.

Very truly yours,

Curl B. Livingston Attorney

CBJ.:m encls.



March 7, 1938

Mr. H. S. Glascock Attorney at Law Gallup, N. M.

> Re: H. L. Williams Wells-Pulling of Casing.

Dear Mr. Glascock:

Supplementing my letter of March 5, relative to your petition to the Commission to show cause why the two wells in the above designated matter should not be adjudged by the Commission as abandoned, and your further petition for pulling casing from said wells, please be advised that Mr. A. Andreas, Acting State Geologist, reports that there are no logs on file at the School of Mines pertaining to these wells.

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- 2. Application, in duplicate, by same said parties for pulling of casing in support of their Miscellaneous Notices, on Form C-102.
 - Form C-102, covering each well, in triplicate.
 Very truly yours,

Carl B. Livingston Attorney

CBL:m encls.

H. S. Glascock, Esq., Gallup, N. 7.

Re: H. L. Williams Wells- Pulling of Casing.

Dear Mr. Glascock:

Your petition, in duplicate, was received in your letter of February 21. The identical wells are being identified by the Acting State Geologist, Mr. A. Andreas. This information, however, necessitated the obtaining of the logs of the two wells in question from the School of Mines.

Your designation of the wells is not sufficiently specific. You refer to "H. L. Williams Well No. 3, located in Section 29, Township 18 North, Range 8 West", and "H. L. Williams Well No. 4 located on Section 19, Township 18 North, Range 8 West". There could be several other wells on each of these sections. We note in Bulletin No. 9, Oil and Cas Resources of New Mexico by Deane E. Winchester, Edition, 1933, page 89 what probably are the wells to which you refer, which are designated as follows:

Probably these are H. L. Williams Wells Nos. 3 and 4, respectively, to which you refer.

It is superfluous to point out to you, as an attorney, the importance of specific designation in your petition, and, in turn, in the Notice of Publication charging that the wells are in fact abandoned. In other words, if we are not specific and H. L. Williams has other wells, and I understand he had had other operations in that area, he would not be upon notice perhaps, as to the charges.

As soon as the information desired is definitely determined, the matter will be ready for the Commission to act upon and the Notice of Publication containing the specific charge as to the two specific wells once operated by a specific person will be issued.

Very truly yours,

OIL CONSERVATION COMMISSION

Carl B. Livingston.
Attorney

CBL:m

C.



March 5, 1938

H. S. Glascock, Esq., Callup, N. E.

Re: H. L. Williams Wells- Pulling of Casing.

Dear Mr. Glascock:

Your petition, in duplicate, was received in your letter of February 21. The identical wells are being identified by the Acting State Geologist, Mr. A. Andreas. This information, however, necessitated the obtaining of the logs of the two wells in question from the School of Mines.

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#07

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Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston Attorney

CBL:m

HENRY 8. GLASCOCK

I DEMOC HERBERT C. DENNY

ATTORNEY AND COUNSELOR AT LAW GALLUP, NEW MEXICO

February 21, 1938

NELY LIEXICO OIL CORE TVATION CORRESPON

New Mexico Oil Conservation Commission Santa Fe. New Mexico

Attention: Carl B. Livingston, Secretary

Gentlemen:

I enclose herewith original and one copy of application that certain wells be declared abandoned. I also enclose triplicate original notices of intention to pull or otherwise alter casing, and duplicate original application to pull casing from certain wells. All of these papers have to do with the same two wells. The application to declare the wells to be abandoned is drawn in accordance with my correspondence with you. I would appreciate it very much if you would file all of these papers and notify me of the date set by the Commission for the hearing with reference to the same. I would appreciate it if the same date could be set for hearing on all of these matters.

Very truly yours,

Henry S. Glascock

HSG:EH Enc.

Mr. H. S. Glascock
Attorney at Law
Gallup, N. M.

Re: H. L. Williams Wells----Pulling of Casing.

Dear Mr. Glascock:

In answer to your letter of February 3, you do not seem to have any clear idea of the functions of the Commission, sitting as a quasi-judicial body. Under the laws, rules and regulations pertaining to oil conservation, all wells must be properly plugged when abandoned. This is the duty of the operator who has a good corporate surety bond to assure proper plugging. upon abandonment.

If, however, a well is in fect abandoned and the operator will not take steps so to do. I see no reason why an interested party may not file his court petition before the Commission, setting up the necessary facts, and thereby making a prima facie case of abandonment. If the petitioner proves his case, the Commission is then in the position of making an order accordingly and the matter of extracting casing could follow as a very natural and logical consequence.

It would be an absolute violation of the law to extract casing or perform any other operation about the well without the express permission of the Commission.

Any hearing for any such order of abandonment is with full opportunity of any interested person, including the operator, to be heard before the Commission, such hearing to be called for the specific matter, at a special time and place.

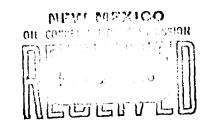
We do not have special forms for such petition.

Very truly yours,
OIL CONSERVATION COMMISSION

Carl B. Livingston
Attorney

CBL:m





HERBERT C. DENNY ATTORNEY AND COUNSELOR AT LAW GALLUP, NEW MEXICO

February 3, 1938

New Mexico Oil Conservation Commission Santa Fe, New Mexico

Attention: Carl B. Livingston, Attorney

Gentlemen:

This will acknowledge receipt of your letter of February 1st, regarding the Williams wells. Regarding paragraph five of the proposed order which I had drawn to read as follows: "That this Commission cannot authorize the pulling of said casing from said wells," I meant this to be a finding that under the particular circumstances, the Commission would not specifically authorize the pulling of said casing. I did not mean it as a denial of the Commission's power to authorize the pulling of casing.

The reason that we have hesitated to file a petition asking the Commission to declare the wells abandoned is that we were somewhat doubtful of our right to make such petition in view of the fact that we were not the operators of said wells. In view of your feeling in the matter, we have decided to petition for abandonment. If you have any special forms upon which a petition should be filed, please forward six copies of said form to me.

Very truly yours.

Henry S. Glascock

HSG: EH

Henry S. Glascock, Esq., Gallup, New Mexico

Dear Mr. Glascock:

The form of tentative order which you submitted in your letter of Jenuary 31 is a matter which the Commission only could pass upon. For one thing, whether or not the form is well drawn will depend upon the allegations of your petition. Assuming that your tentative order form follows your petition, it goes back to the same old error that has repeatedly been pointed out to you: the theory, it seems to me, should be upon abandonment. Has Williams abandoned this well? If he has not, I do not see how the Commission could allow any pulling of casing and plugging of wells.

You state in your order form that the Commission has no right to authorize the pulling of the casing. It certainly does have that right. You cannot legally pull the casing any other way. The thing that the Commission does not pass upon is title to casing and equipment, but once the well is shown to have been abandoned, then that well should be properly abandoned by plugging and the like. Then, the pulling of the casing, if any there be, is apropos for the consideration of the Commission as a logical consequence of abandonment, provided, of course, the Commission finds that the well is in fact, abandoned, and that steps should be taken toward plugging.

I am returning herewith the form of order which you submitted.

Very truly yours,
OIL COMSERVATION COMMISSION

By_				
	Carl	B	Livingston	_
	Atto	rney	<i>r</i>	

CBL:m

HERBERT C. DENNY ATTORNEY AND COUNSELOR AT LAW GALLUP, NEW MEXICO

January 31, 1938

Hon. Carl B. Livingston, Atty. N. M. Oil Conservation Commission Santa Fe, New Mexico

Dear Mr. Livingston:

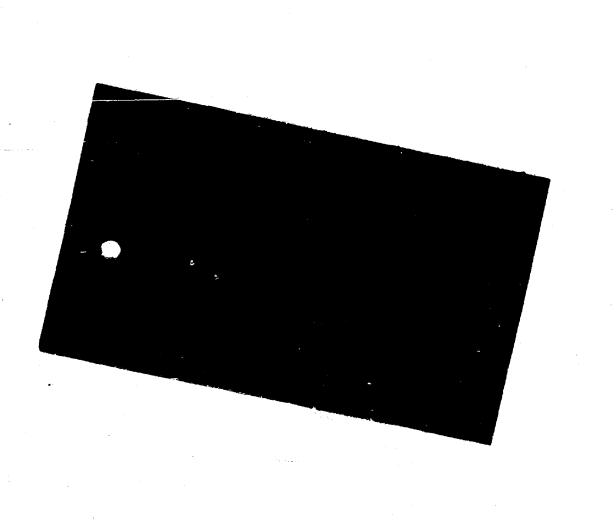
I have given considerable thought to the matter of our application to pull the casing from the H.L.Williams wells. I have prepared a form of order which, in my opinion, will protect the structures involved, and carry out the purposes for which the Oil Conservation Commission was constituted without involving the Oil Conservation Commission in any dispute over the right to pull the casing. This is simply in adjudication of what must be done before the casing can be pulled by the rightful owners without being an express authorization to Nipper and Finkelstein, or a determination that they are the rightful owners. With such an order as this to protect us from criminal action by the Conservation Commission, we are perfectly willing to litigate with Mr. Williams, any controversy over pulling the casing or damage to the well.

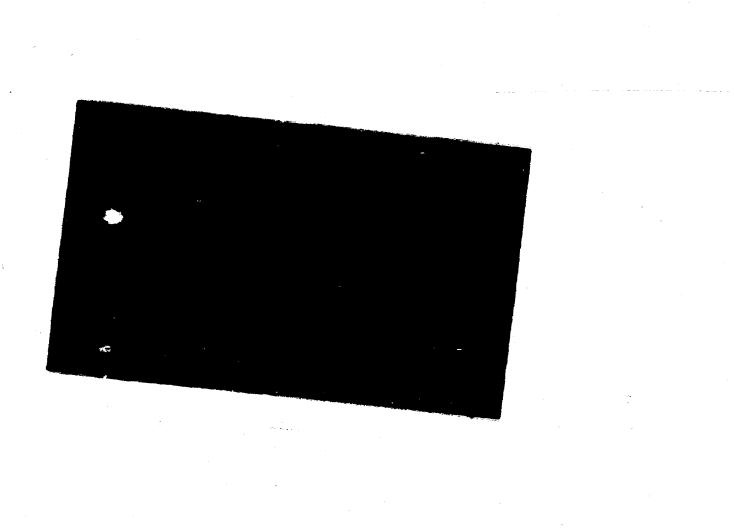
I would appreciate it very much if you would give careful consideration to this form of order and advise me whether, in your opinion, the Commission would be justified in issuing the same as it now is or with any changes which you might suggest.

Very truly yours,

Henry S. Glascock

HSG:EH Enc.





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Care 11

OIL AND GAS LEASE

This indenture of lease entered into, in duplicate, as of the nineteenth day of September, A. D. 1936, by and between the SANTA FE PACIFIC RAILROAD COMPANY, a corporation created by Act of Congress approved March 3, 1897, with its principal offices in Topeka, Kansas, party of the first part, hereinafter called the "Lessor", and H. L. WILLIAMS, of Prescott, County of Yavapai, State of Arizona, party of the second part, hereinafter called the "Lessee".

WITNESSETH:

SECTION I.

That the Lessor in consideration of rents and royalties to be paid, and covenants to be observed as herein set forth, does hereby grant and lease to the Lessee the exclusive right and privilege to drill for, extract, remove, and dispose of all the oil and gas deposits in or under the following described tracts of land situated in the County of McKinley, and State of New Mexico, and more particularly described as follows:

New Mexico Meridian, New Mexico.

Township eighteen north of range eight west:

Section fifteen containing six hundred forty acres; section seventeen, containing six hundred forty acres; section nineteen, containing six hundred thirty-eight and eighteen hundredths acres; section twenty-one, containing six hundred forty acres; section twenty-seven, containing six hundred forty acres; section twenty-nine, containing six hundred forty acres; section thirty-three, containing six hundred forty acres.

Containing in the aggregate four thousand four hundred seventy-eight and eighteen hundredths acres.

together with the right to construct and maintain thereupon all works, building, plants, waterways, roads, telegraph or telephone lines, pipe lines, reservoirs, tanks, pumping station or other structures necessary to the full enjoyment thereof for a period of five years and as long as oil and gas are produced in commercial quantities.

SECTION II.

In consideration of the foregoing the Lessee hereby agrees:

(a) To proceed with reasonable diligence within twelve (12) months of delivery hereof to install on the leased land a standard or other efficient drilling outfit and equipment and to commence drilling at least one well and to continue such drilling with reasonable diligence to production or to a point where the well is demonstrated unsuccessful, and thereafter to continue drilling with reasonable diligence at least one well at a time until Lessee shall have drilled producing wells which equal in number the number of twenty (20) acre tracts or lots embraced in the leased premises, unless the Lessor shall for any reason deemed sufficient, consent in writing to the drilling of a less number of wells, the Lessee further agrees to fully protect the leased land from drainage of oil or gas from any producing formation or zone by the drilling of all necessary wells to offset the wells of others on adjoining lands when drilled within four hundred (400) feet of the boundary line of said leased land.

- (b) To pay the Lessor, as rental, upon the execution of this lease, fifty cents (50¢) per acre to cover the first year; in one year from date hereof sixty cents (60¢) per acre to cover the second year; in two years from date hereof seventy cents (70¢) per acre to cover the third year; in three years from the date hereof eighty cents (80¢) per acre to cover the fourth year; and for the fifth year and each year this lease may be in effect thereafter, one dollar (\$1.00) per acre per annum, to be paid annually in advance; the rental so paid for any one year to be credited on the rowalty for that year, together with the rowalty on all oil and gas produced from the land leased herein (except oil or gas used for production purposes on said land or unavoidable loss) as follows:
 - (1) For all oil produced of thirty degrees Baume or over:

On that portion of the average production per well not exceeding 100 barrels per day for the calendar month....122 Percent.

On that portion of the average production per well of more than 1000 barrels per day for the calendar month...... 25 Percent.

(2) For all oil produced of less than thirty degrees Baume:

On that portion of the average production per well not exceeding 200 barrels per day for the calendar month..... 122 Percent.

On that portion of the average production per well of more than 200 barrels per day for the calendar month......16-2/3 Percent.

(3) Only wells which have a commercial production during at least part of the month shall be considered in ascertaining the average production above provided for.

Such royalty oil to be tendered and delivered to Lessor in tank or tanks provided by Lessee for that purpose on the leased land on or before the fifteenth day of each calendar month, the same to be held for but at the sole risk of Lessor at place of delivery for fifteen days thereafter, free and clear of all costs and charges of every nature, provided, however, that if the Lessor shall so request in writing the Lessee will purchase said royalty oil from Lessor at the current market price for oil of like gravity prevailing in the territory where produced, payment therefor to be made by Lessee on or before the twentieth day of each calendar month following the calendar month in which produced.

The words "current market price" as used herein shall be deemed to mean the entire price available for oil of similar quality in the same producing district, including premium if any.

(4) On gas and casinghead gasoline:

On gas, whether same shall be gas from which the casing-head gasoline has been extracted or otherwise, $12\frac{1}{2}$ percent of the value thereof in the field where produced where the average production per day for the calendar month from the land leased is less than 3,000,000 cubic feet, and 16-2/3 percent where the average daily production is 3,000,000 cubic feet or over.

On casinghead gasoline 30 percent of the value of the casinghead gasoline extracted from the gas produced.

The value in the field where produced, of gas and casinghead gasoline, for royalty purpose, shall be the current
market price of such products in the territory where produced.

In cases where gas produced and sold has a value both for casinghead gasoline content and as dry gas from which the casinghead
gasoline has been extracted, then the royalties above provided
shall be paid on both of such values.

All payments to be made in Topeka, Kansas, to the Treasurer of the Santa Fe Pacific Railroad Company.

- as may be prescribed by the Lessor showing the amount, quality and value of all oil and gas produced and saved during the preceding calendar month as the basis for computing the royalty to the Lessor. The leased premises, all wells, improvements, machinery and fixtures thereon or connected therewith, and all books and accounts of the Lessee shall be open at all times for the inspection of any duly authorized representative of the Lessor.
- (d) To keep a log of all wells drilled by the Lessee, showing the strata and character of the ground passed through by the drill, which log or map thereof shall be furnished to said Lessor on demand.
- (e) To exercise reasonable diligence in drilling and operating wells for the oil and gas on the lands covered hereby, while such products can be secured in paying quantities, unless consent

to suspend operations temporarily is granted by the Lessor; to carry on all operations hereunder in a good and workmanlike manner in accordance with approved methods and practices, having due regard for the prevention of waste of oil or gas developed on the land, or the entrance of water through wells drilled by Lessee to the oil sands or oil bearing strata to the destruction or injury of the oil deposits, the preservation and conservation of the property for future productive operations; to plug securely any well before abandoning the same so as to effectually shut off all water from the oil or gas bearing strata; to conduct all drilling and related productive operations subject to the inspection of the Lessor. Provided, that the Lessee shall not be held responsible for delays or casualties occasioned by causes beyond Lessee's control. Lessee hereby assumes the responsibility for compliance with all state laws and regulations governing the production and conservation of oil and gas. In the event said land is situated in the State of New Mexico, the Lessee agrees to give a bond to said State, securing compliance with the State laws and regulations of said State, in such form and in such amount as shall be acceptable to said State.

(f) To pay, before same become delinquent, all taxes, charges, rates and assessments which may, during the term of this lease, be levied upon or assessed in any respect, to the benefits of this lease which flow to the Lessee as follows:

- (1) All of such taxes, charges, rates and assessments which may be levied upon or assessed in respect to any of the rights, privileges, values or property which are given or granted to the Lessee by the terms and provisions of this lease.
- (2) All such taxes, charges, rates and assessments pertaining to oil or gas which may be produced from the demised premises or pertaining to the personal property which may be placed upon such premises by the Lessee.
- (3) All increases of such taxes, charges, rates and assessments pertaining to the lands embraced herein by reason of any improvements to such premises, including test and producing oil or gas wells, buildings, pipe lines, machinery and other fixtures placed thereon by the Lessee.
- (4) Where any such taxes, charges, rates and assessments may be embraced in a general amount of taxes charged upon the demised premises separately or in conjunction with other property of the Lessor and Lessor shall pay all of such taxes, then the Lessee will promptly repay or refund to the Lessor the amount or part of the tax, charge, rate or assessments attributable under this lease to the Lessee. All taxes paid by Lessor on account of Lessee shall bear 8 percent interest, per annum, until paid.
- (g) To save harmless and indemnify the Lessor from and against all claims, demands, suits, judgments, expenses and costs of any and every kind on account of the injury or death of

persons and loss and damage to property arising in any manner out of or in connection with the operations of the Lessee upon the leased premises and will, at the sole cost and expense of the Lessee defend all such claims, demands, or suits.

- (h) To restore to the Lessor the possession of the premises at the termination of this lease either by expiration of time, forfeiture or otherwise as herein provided, and to remove therefrom all property, improvements, etc., except such as may have become the property of the Lessor under this lease by purchase or otherwise, and so far as possible restore the leased premises to the condition in which they were at the time of entrance into this lease.
- (i) Not to assign this lease or any interest therein nor sublet any portion of the leased premises except with the written consent of the Lessor first had and obtained in each instance.

SECTION III.

It is mutually agreed:

(a) That the Lessor does not warrant the quiet possession of said lands by the Lessee and Lessor shall in no event become liable for demage arising from any lack or failure of title in the Lessor to said lands or eviction of the Lessee therefrom by title paramount to the title of the Lessor. The Lessor covenants, however, and warrants that it has made no agreement on its part in

reference to said lands, or any conveyance thereof which will give to third parties right to interfere in any way with the operations of the Lessee under this lease. Any existing leases for agricultural or grazing purposes of the surface of the lands herein leased shall not be renewed or extended on their expiration or termination. The Lessor shall have the right to sell the leased land or portions thereof, but any such sale shall not in any wise impair this lease or the rights of the Lessee hereunder.

(b) That at any time before the discovery of oil or gas on the leased premises, or at any time thereafter, the Lessee may surrender the whole or any part thereof to the Lessor by an appropriate instrument in writing duly executed and acknowledged so as to entitle same to be recorded, and thereupon all rights and obligations of the parties hereto, one to the other, shall cease and determine as to the premises thereby surrendered, provided, however, the Lessee shall have first paid all rentals, taxes, or poyalties due thereunder and shall perform all the obligations of the Lessee under paragraphs (g) and (h) of Section II hereof.

(c) That if any wells shall fail to develop oil or gas in paying quantities but shall develop fresh water, the Lessor shall have the option of taking over any such well, if the Lessee shall have decided to abandon it as an oil or gas well, upon payment by Lessor to Lessee of the reasonable value of well casing

and other material necessary to be left in such well, provided, however, Lessor shall exercise the option to take over such well and make any and all tests it desires to make as to such well within twenty days from the date Lessee notifies Lessor that a water well has been developed. Provided, further, however, Lessee shall have the right to use during the term of this lease from such well, such water as may be required for drilling and for camp purposes; but so long as Lessee uses the water from such well Lessor shall not be required to pay for the casing and other material.

Any and all reservoirs, dams and similar structures built by Lessee shall, without expense to the Lessor, become the property of the Lessor upon any termination of this lease as to all of the demised premises or as to any portion of such premises upon which such structures are located, unless same are being used in drilling operations upon lands as to which this lease is not terminated.

any sum payable by the Lessee hereunder on the dates when the same shall be due, or shall fail to perform or comply with any covenant or condition by and to be performed or complied with under this lease including the payment of all taxes, then and in such event the Lessor shall have and is hereby given, the right at its election to terminate this lease and upon giving notice in writing of such election this lease shall forthwith be terminated

Nothing herein shall be construed to relieve the Lessee from any liability which may have accrued prior to or may be accraing at the date of such termination or deprive the Lessor of the right to enforce any such liability or of the benefit of any covenant or obligation in this lease contained to indemnify or hold it harmless. A waiver of any particular cause of forfeiture shall not prevent the cancellation and forfeiture of this lease for any other cause of forfeiture or for the same cause occurring at any other time.

- (e) That upon any termination or expiration of this lease as to part or all of the lands hereby leased all rights of Lessee in or to extract oil or gas within said lands as to which this lease shall be so terminated or shall so expire, as the case may be, shall cease, and the ownership of any such oil and gas shall remain with the Lessor.
- obstruct, or hinder in any way the operation by The Atchison, Topeka and Santa Fe Railway Company, or by any company a majority of whose capital stock now is or hereafter shall be owned by it, of any railroad now in existence or which may be built or acquired by any such company, and all rights, privileges, and easements granted by this lease are subject to the safe and economical operation of any such railroad or railroads, as determined by the officer or officers of any such company or companies.

- with respect to any matters arising under this lease then the matter shall be determined by the decision of three disinterested arbitrators, one to be appointed by the Lessor, one by the Lessee and the third by the two arbitrators so appointed; and that the decision of such arbitrators or of any two of them shall be conclusive and binding upon the parties hereto, the expense of arbitration to be borne as the arbitrators shall direct.
- (h) That all of the covenants and agreements of this lease shall extend to and be binding upon and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

IN WITNESS WHEREOF, this lease and agreement has been executed by the parties thereunto duly authorized the date and year first above written.

SANTA FE PACIFIC RAILROAD COMPANY

By (Signed) E. J. Engel

(CORPORATION SEAL)

Vice-President.

Attest:

(Signed) H. B. Fink Assistant Secretary.

(Signed) H. L. Williams

Lessee.

Copper Constant Suns A S S T G N IN E K T

THIS INDENTURE, made the day of February A. D., 1936, between H. L. WILLIAMS, of Prescott, Yavapai County, State of Arizona, the party of the first part, and FRANK V. QUIGLEY and ALEXANDER O. BURNHAM, of 18 E. 41st, Street, New York City, New York, the parties of the second part,

WITHESSETH: That the said party of the first part, for and in consideration of the sum of Ten (\$10.00) Dollars to him in hand paid by the said parties of the second part, the receipt whereof is hereby confessed and acknowledged, and in further consideration of the promise upon the part of the said parties of the second part to assume, liquidate, pay off, settle, reduce, compromise and discharge only to the extent of Three Thousand (\$3000.00) Dollars, any obligations and indebtedness owed or owing by the said H. L. Williams in connection with and incident to the owning and controlling of any right, title and interest in and to the hereinafter described property, the said H. L. Williams doth hereby assign, transfer and set over unto the said parties of the second part, all his right, title and interest, claim and demand which the said H. L. Williams has in and to his undivided acreage interest held in the "HOSPAH STRUCTURE", McKinley County, State of New Mexico,

SAVE AND EXCEPTING HOWEVER unto the said H. L. Williams, all his right, title and interest which the said H. L. Williams may have in and to the undivided acre interest of the two hundred fifty (250) acres of what is known as the "Santa Fe Railroad Leases" on the "HOSPAH STRUCTURE" in McKinley County, State of New Mexico.

and the party of the first part further covenants and agrees that he will make, execute, acknowledge and deliver to the parties of the second part or their assigns, all such other and further instruments necessary to and passing title to the parties of the second part or their assigns, of any and all leases and leasehold

estates held or enjoyed by said party of the first part in connection with the foregoing "HOSPAH STRUCTURE", including the said "Santa Fe Railroad Leases". All of such assignments and transfers to be subject to the interest of any unnamed persons therein by virtue of the said H. L. Williams having sold undivided acreage interest in and to said "HOSPAH STRUCTURE". And said party of the first part covenants and agrees to forthwith deliver to the parties of the second part, all of the original lesses hereinbefore mentioned and described, together with any extensions or renewals thereof.

IN WITNESS WHEREOF, the said party of the first part has hereunto set his hand and seal the day and year first above written.

State of Macinatico, ss.

On this day of February 1936, before me personally appeared H. L. Williams, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year in this certificate first above written.

Notary Públic.

My commission expires:

Like 43, 1939

(COPY)

and innet; 143

BILL OF SALE

THIS INDENTURE, WITHESSETH, that H. L. WILLIAMS of Prescott, Yavapai County, State of Arizona, has this day bargeined and sold, and does hereby bargein, sell, assign, transfer, set over and deliver to FRANK V. QUIGLEY and ALEXANDER O. BURNHAM, of 18 E. 41st, Street, New York City, New York, for the consideration hereinafter named, the following described property, chattels, goods, and personal property, in, on and upon the "HOSPAH STRUCTURE", McKinley County, State of New Mexico, to-wit:

All the personal property including two (2) Standard drilling rigs, all machinery, workings, tools, equipment, engines, boilers, tanks, beilers, cars, pipe lines, pumping stations, loading and unloading facilities, reservoirs, and any and all other personal property of every kind, nature and description whatsoever, incidental to, connected with, suitable, necessary, or convenient for the exploration, prospecting, drilling and development of oil wells.

This Bill of Sale and transfer of the said above described "HOSPAH STRUCTURE" is given for and in consideration of the sum of Ten (\$10.00) Dollars in hand paid to the grantor, receipt whereof is hereby acknowledged, and in further consideration of the promise of the said FRANK V. UIGLEY and the said ALEXANDER O. BURNHAM to assume, liquidate, pay off, settle, reduce and compromise only to the extent of Three Thousand (\$3000.00) Dollars, any obligations and indebtedness owed by the said H. L. WILLIAMS in connection with and incident to the owning, controlling and operating of the hereinabove described property on the said "HOSPAH STRUCTURE".

IN MITHESS WEEREOF, the said H. L. Williems has hereunto set his hand this 8th day of February A. D., 1936. Signed, sealed and delivered in the presence of:

(3GD) Fay Diggs

(SGD) H L WILLIAMS

State of New Mexico.)

County of McKinley .)

on this 8th day of February 1936, before me personally appeared H. L. Williams, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

IN WITHESS WHEREOF, I have hereunto set my hand and seal the day end year in this certificate first above written.

(SGD) Fey Diggs Notary Public

My commission expires:

Feby 13, 1939

(Seal)

applice and Ex 5.

Know All Men by These Presents: That I, ALEXANDER O. BURNHAM New York in the State of New Mexico, for and in consideration of the sum of ----TWO THOUSAND AND NO/100 (\$2,000,00) ------ DOLLARS to me in hand paid, the receipt whereof is hereby duly confessed and acknowledged, have granted, bargained and sold, and by these presents do grant, bargain and sell unto R. A. MIPPER AND DAVID FINCKELSTEIN, both in the County of the following described personal property, to-wit:..... Any and all casing now in Wells Numbered Three (3) and Four (4) on the Hospan structure, in the County of Mc-Kinley and State of New Mexico. TO HAVE AND TO HOLD, all and singular, the goods and chattels above bargained and sold unto the said R. A. NIPPER AND DAVID FINCKELSTEIN their, executors, administrators and assigns forever. And I, the said ALEXANDER O. BURNHAM my heirs, executors, administrators and assigns, all and singular, the said goods and chattels above bargained and sold unto the said R. A. NIPPER AND DAVID FINCKELSTEIN their, administrators and assigns, against myself, and against all and every person whomsoever, shall and will warrant and forever defend. IN WITNESS WHEREOF, I have hereunto set my hand and seal this August _____, in the year A. D. 193. 7 . Signed, Sealed and Delivered in Presence of

STATE OF NEW-MEXICO,)		the same	
County of) ss			
On this	day of	August	, 193 7 ., befo	ore me personally appeared
ALEXANDER	O. BURNHAM		·	
to me known to be the person de			nstrument, and ackno	owledged that he
executed the same as his				
Witness my hand and seal the	day and year last	above written.		
My commission expires				Notary Public.
	· -			
STATE OF NEW MEXICO,	} _{ss.}			
County of		<i>2</i> °		
On this	day of		, 193, befo	ore me personally appeared
				, to me personally known,
who being by me duly sworn, did say	y that he is			of
			, a corporation orga	nized under the laws of the
State of			54	
corporation, and that said instrumen	nt was signed and s	sealed in behalf of said corp	oration, by authority	of its board of directors, and
said		acknowledged said	instrument to be the	free act and deed of said
corporation.				
Witness my hand and seal on the	his the day and yea	ar first above written.		
				Notary Public
— M: commission expires		OF		County New Mexico
• • •				•,
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		al for	ed in Bills	rk.
		filed for	93/, at sorded in s of Bills	Clerk. Clerk. Jeputy.
		s. was filed for day of	D. 193, at	unty Clerk. Deputy.
LE E		ss. ent was filed for day of	A. D. 193/, at duly recorded in Records of Bills	County Clerk. Deputy.
ALE		\$ss. rument was filed for day of	was duly recorded in f the Records of Bills	County Clerk. Deputy.
SALE		O, \$ss. instrument was filed for day of	and was duly recorded in of the Records of Bills on this	County Clerk. Deputy. PRINTING CO., ALBUQUEROUR
OF SALE		XICO, }ss. this instrument was filed for day of	M., and was duly recorded in of the Records of Bills on this	County Clerk. County Clerk. Deputy.
L OF SALE		MEXICO, }ss. at this instrument was filed for day of	M., and was duly recorded in of the Records of Bills	County Clerk. Deputy. VALLIANT PRINTING CO., ALBUOVERGUE
ILL OF SALE TO		:W MEXICO, ss. fy that this instrument was filed for day of	M., and was duly recorded in of the Records of Bills on this	County Clerk. County Clerk. Deputy.
BILL OF SALE TO		NEW MEXICO, \$88. certify that this instrument was filed for the day of the d	ock M., and was duly recorded in of the Records of Bills	County Clerk. Deputy. Deputy.
BILL OF SALE		OF NEW MEXICO, of ss. by certify that this instrument was filed for a the day of	o'clock M., and was duly recorded in o'clock of the Records of Bills page on this	County Clerk. Deputy. Deputy.
BILL OF SALE		STATE OF NEW MEXICO, County of I hereby certify that this instrument was filed for record on the day of	Book of Sale, page of the Records of Bills	day of A. D. 193 County Clerk. By Deputy. PRINTED AND FOR SALE BY VALLIANT PRINTING CO., ALBUQUEROUS

ASSIGNMENT

THIS INDENTURE, made the 17th day of July, 1936, between FRANK V. QUIGLEY and ALEXANDER O. BURNHAM, of 18 East 41st Street, New York, New York, the parties of the first part, and H. L. WILLIAMS, of Prescott, Yavapai County, State of Arizona, party of the second part,

WITNESSETH: The parties of the first part, for and in consideration of the sum of one dollar (\$1) to them in hand paid by the party of the second part, the receipt whereof is hereby confessed and acknowledged, do hereby assign, transfer and set over unto the party of the second part all of their right, title and interest, claim and demand in and to a certain undivided acreage interest in the "HOSPAH STRUCTURE", McKinley County, State of New Mexico, described in a certain assignment dated February 8, 1936, between the parties hereto,

SAVE AND EXCEPTING, HOWEVER, unto said Frank V. Quigley and Alexander O. Burnham all of their right, title and interest in and to the personal property, whether above ground or within the ground, of the said "HOSPAH STRUCTURE" described in a certain bill of sale from said H. L. Williams to said Frank V. Quigley and Alexander O. Burnham dated February 8, 1936.

This assignment is made without any warranties or representations whatever on the part of the parties of the first part and shall not in any way operate as an admission that the sum of Three Thousand Dollars (\$3,000) described in the said assignment from H. L. Williams to Frank V. Quigley and Alexander O. Burnham, dated February 8, 1936, has been repaid by said Williams to said Quigley and said Burnham.

IN WITNESS WHEREOF, the said Frank V. quigley and Alexander O. Burnham have hereunto set their hands this 17th day of July, 1936.

Mark Vangley
Clexander O. Burnham

STATE OF NEW YORK) SS.:

On this 17th day of July, 1976, before me personally appeared Frank V. Quigley, to me known and known to me to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

IN WITHESS WHEREOF, I have hereunto set my hand and seel the day and year in this certificate first above written.

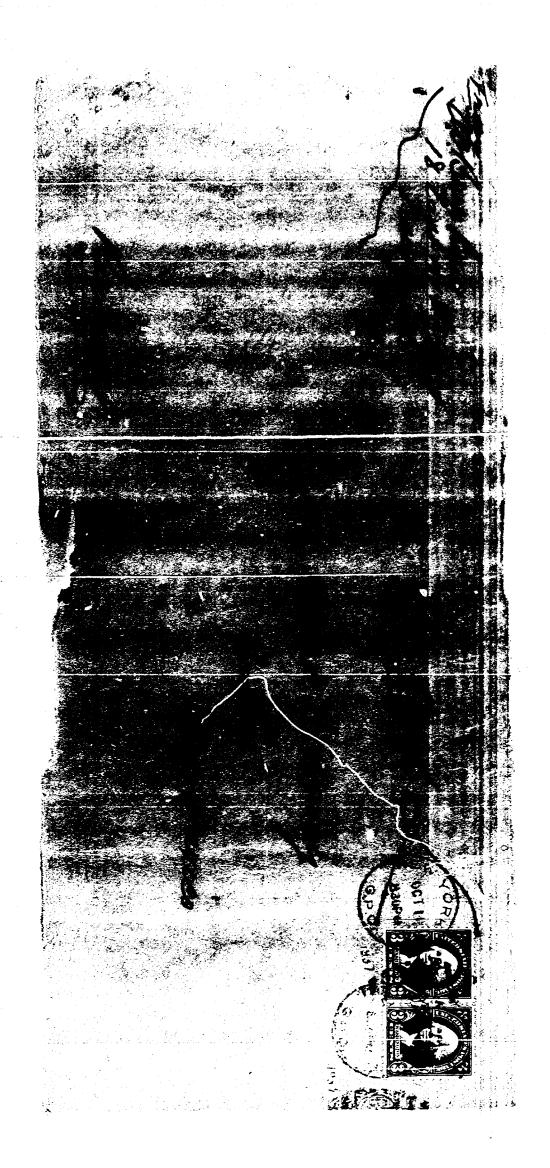
Warren Poberts

STATE OF NEW YORK) ss.:

On this 17th day of July, 1936, before me personally appeared Alexander O. Burnham, to me known and known to me to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year in this certificate first above written.

Warren arbeits



THIS INDENTURE, made the O day of Jely, 1936, between FRANK V. QUIGLEY and ALEXANDER O. BURNHAM, of 18 East 41st Street, New York City, New York,

witnesseth, that said Quigley, for and in consider ation of the sum of Ten (\$10.00) Dollars in hand paid by said Burnham, the receipt whereof is hereby confessed and acknowledged, does hereby appoint, transfer and set over unto said Burnham all of the right, title and interest of said Quigley in and to the chattels, goods and personal property described in the bill of sale of E. L. Williams, dated February 8, 1936, a copy of which is attached hereto and made a part hereof, as follows:

All the personal property including two (2) Standard drilling rigs, all machinery, workings, tools, equipment, engines, boilers, tanks, bailers, cars, pipe lines, pumping stations, loading and unloading facilities, reservoirs, and any and all other personal property of every kind, nature and description whatsoever, incidental to, connected with, suitable, necessary, or convenient for the exploration, prospecting, drilling and development of oil wells.

This assignment is absolute and without condition and is intended to convey all of said chattels, goods and personal property, but no interest in any leases.

IN WITNESS WHEREOF, the said Frank V. Quigley has hereunto set his hand this /o day of July, 1936.

hank V sug

Signed, sealed and delivered in the presence of: /

June L. Harris

IRENE L. HARRIS

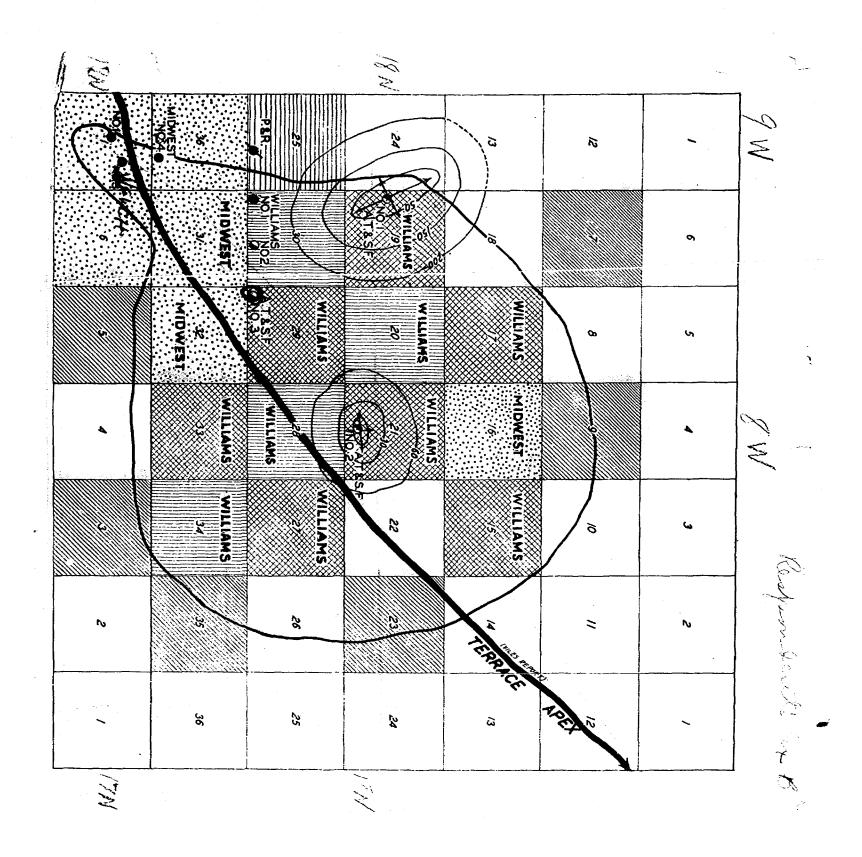
NOTARY PUBLIC

Broax Co. Cliss. No. 125, Reg. No. 911117

N. Y. Co. Clks. No. 641, Reg. No. 71820

Commission Expires March 30, 1987

year in this certificate first above Uses, MEREOF, I have hereunto set my hand year in this certificate first above



IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE FURPOSE OF CONSIDERING:

THE APPLICATION OF R. A. NIPPER AND DAVID FINKELSTEIN TO HAVE DECLARED THE HEREINAFTER DESCRIBED WELLS AS ABANDONED WELLS AND THE APPLICATION OF THE SAME SAID PARTIES TO PULL CASING FROM THE SAME SAID WELLS, WHICH SAID WELLS ARE DESCRIBED AS FOLLOWS:

CASE NO. 11
ORDER NO. 133

H. L. Williams Well No. 3, located on Section Twenty-nine (29), Township Eighteen (18) North, Range Eight (8) West, N.M.P.M.; H. L. Williams Well No. 4, located on Section Nineteen (19), Township Eighteen (18) North, Range Eight (8) West, N. M. P. M.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock A. M. on the 26th day of July, 1938, in the office of the Oil Conservation Commission in the State Capitol, Santa Fe, New Mexico, upon the application of R. A. Nipper and David Finkelstein in the above designated matter, Denny & Glascock, by Henry S. Glascock, Esq., appearing for the applicants, and E. R. Wright, Esq., appearing for the respondent.

Now, on this 27th day of July, 1936, the Commission having before it for consideration the evidence adduced at the hearing in said case, and being fully advised in the premises, finds as follows:

FINDINGS

- l. That notice by publication of the filing of the applications herein, the time and the place of the hearing thereon, and the purpose of said hearing, has been regularly given in all respects as required by law, and the Commission has jurisdiction of the subject matter embraced in said petition and of the parties interested therein, and jurisdiction to issue and promulgate the hereinafter prescribed order.
- 2. That H. L. Williams Well No. 3, located on Section Twenty-nine (29), Township Eighteen (18) North, Range Eight (8) West, and H. L. Williams Well No. 4, located on Section Nineteen (19), Township Eighteen (18) North, Range Eight (8) West, are not abandoned.
- 3. That the Commission has no jurisdiction to determine title to the casing involved herein, or damages in lieu of said casing.
- 4. That the metter of title to the casing herein, or damages in lieu of such casing should be determined by the

tribunal having jurisdiction therefor.

5. That the applications herein to pull casing from the said two H. L. Williams wells is premature.

$\underline{O} \ \underline{R} \ \underline{D} \ \underline{E} \ \underline{R}$

IT IS THEREFORE ORDERED by the Oil Conservation Commission of the State of New Mexico, as follows:

- 1. That the applications of the parties herein to have declared the aforesaid wells as abandoned is denied.
- 2. That the applications of the parties herein to pull casing from the same said wells is denied.

OIL CONSERVATION COMMISSION

Franklooden

FRANK WORDEN Commissioner of Public Lands

a andreas.

A. ANDREAS State Geologist.

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

THE APPLICATION OF R. A. NIPPER AND DAVID FINKELSTEIN TO HAVE DECLARED THE HEREINAFTER DESCRIBED WELLS AS ABANDONED WELLS AND THE APPLICATION OF THE SAME SAID PARTIES TO PULL CASING FROM THE SAME SAID WELLS, WHICH SAID WELLS ARE DESCRIBED AS FOLLOWS:

ORDER No. 128

H. L. Williams' Well No. 3, located on Section Twenty-nine (29), Township Eighteen (18) North, Range Eight (8) West, N.M.P.M.; H. L. Williams' Well No. 4, located on Section Nineteen (19), Township Eighteen (18) North, Range Eight (8) West, N.M.P.M.

ORDER TO FURTHER CONTINUE HEARING

BY THE COMMISSION:

Motion to continue hearing in the above cause by H. L. Williams, through his attorney, E. R. Wright, Esq., came on for hearing in the office of the Governor at Santa Fe, New Mexico, at 4:10 P. M. on the 22nd day of June, 1938, and the Commission having considered the same,

IT IS THEREFORE ORDERED that the hearing in the above matter be and the same is hereby continued to July 26th, 1938, at 9 A. M., and at that date to be heard in the office of the Oil Concervation Commission at the Capitol, Santa Fe, New Mexico.

DONE at Santa Fe, New Mexico, this 22nd day of June, 1938.

OIL CONSERVATION COMMISSION

Clyde Tingley, Governor of New Mexico and Chairman of the Oll Conservation Complission

Secretary
Commissioner of Public Lands and Secretary

of the Cil Conservation Commission

IN THE MATTER OF THE APPLICATION OF R. A. NIPPER AND DAVID FINKEL-STEIN TO PULL CASING FROM CERTAIN WELLS.

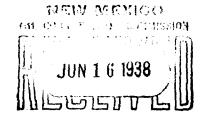
MOTION OF H. L. WILLIAMS FOR CONTINUANCE.

Now comes H. L. Williams, by E. R. Wright, his attorney, and moves the Commission to grant continuance of the hearing upon said matter, which was heretofore set for the 27th day of June, until some date approximating the middle of July, 1938, and for grounds of motion shows the Commission:-

That an emergency business matter has arisen which requires Mr. H. L. Williams to be in the city of Philadelphia, Pennsylvania, on the 28th day of June, 1938, and that it will be impossible for him to be present before the Commission on the 27th day of June, 1938.

Dated at Santa Fe, New Mexico, this 22nd day of June, 1938.

Santa Fe, New Mexico, Attorney for H.L.Williams.



In the Matter of the Application of R. A. Nipper and David Finkelstein to pull casing from certain wells.

RESPONSE TO AFFIDAVIT RESISTING AFFLICATION

Come now the above-named applicants and make response to the affidavit of H. L. Williams heretofore filed herein, as follows:

1. Admit that H. L. Williams is a resident of Prescott, Yavapi County, Arizona, and deny each and every other allegation contained in said affidavit.

Gallup New Mexico
Attorneys for Applicants

STATE OF NEW NEXICO) : ss.

H. S. Glascock, being first duly sworn, upon his oath states:

That he is one of the attorneys for the within-named Applicants; that he is authorized to and does make this verification for and on behalf of said applicants, for the reason that said applicants are non-residents of the State of New Mexico and are not now in the State of New Mexico; that he has read the within and foregoing Response and knows the contents thereof, and that the same is full, true and correct as he is informed and verily believes.

To Mastock.

Subscribed and sworn to before me this 14 day of June, 1938.

Novery Public

Ly commission expires:

In the Matter of the Application of R. A. NIPPER and DIVID FINKELSTEIN) to pull casing from certain wells.

SUBPOENA DUCES TECUM

THE STATE OF NEW MEXICO

TO H. L. WILLIAMS:

YOU ARE HEREBY COMMANDED, to appear before the Oil Conservation Commission of the State of New Mexico, on the 27th day of June, A. D. 1958, at the hour of nine o'clock A. M. at the office of said Commission at Santa Fe, New Mexico, then and there to testify in the above-entitled matter on behalf of

R. A. Nipper and David Finkelstein , and have you then and there the following books, papers and records:

Τ.

All leases, operating agreements, permits and other instruments, papers and conveyances at any time held by you in your individual capacity, or as trustee in connection with lands or interests in lands in McKinley County on or near what is known as the Hospah Structure.

II.

All books, papers or records having to do with the names and/or addresses of all persons to whom you, in your individual capacity or as trustee, sold or transferred any oil leases, rights, undivided acreage or other interests in or to lands or interests in lands in Eckinley County on or near what is known as the Hospah Structure.

III.

The logs of all wells drilled by you or your associates on

or near what is known as the hospah Structure in Lickinley County.

IV.

Complete financial records of any and all trusts directed, supervised or managed by you in connection with the drilling or prospecting for oil or the dealing in oil acreage, leases or interests with respect to the Hospah Structure in McKinley County, New Mexico.

٧.

All correspondence and copies thereof between you and Alexander 0. Burnham and/or Frank V. Quigley and/or The Quigley Corporation, with respect to leases, interests or rights in or near the Hospah Structure in McKinley County, New Mexico, and any and all personal property thereon or therein located and all bills of sale, assignments or conveyances affecting or naving to do with the foregoing, particularly that certain assignment dated July 17, 1936, between Frank V. Quigley and Alexander O. Burnham of the first part and H. L. Williams of the second part, by which the parties of the first part assigned to the party of the second part all of their right, title, and interest in and to a certain undivided acreage interest in the Hospah Structure in McKinley County, New Mexico.

And this do under the penalty of the law.

WITNESS, the Oil Conservation Commission of the State of New Mexico, and the seal of said Commission, this ____ day of June, A. D. 1938.

Secretary and Member, Oil Conservation

Commission of New Mexico.

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

THE APPLICATION OF R. A. NIPPER AND DAVID FINKELSTEIN TO HAVE DECLARED THE HEREINAFTER DESCRIBED WELLS AS ABANDONED WELLS AND THE APPLICATION OF THE SAME SAID PARTIES TO PULL CASING FROM THE SAME SAID WELLS, WHICH SAID WELLS ARE DESCRIBED AS FOLLOWS:

CASE NO. 11 ORDER NO. 124

H. L. Williams' Well No. 3, located on Section Twenty-nine (29), Township Eighteen (18) North, Range Eight (8) West, N.M.P.M.; H. L. Williams' Well No. 4, located on Section Nineteen (19), Township Eighteen (18) North, Range Eight (8) West, N.M.P.M.

ORDER TO FURTHER CONTINUE HEARING

BY THE COMMISSION:

Informal motion to continue hearing in the above cause, through the attorneys in said cause, H. S. Glascock, Esquire, and E. R. Wright, Esquire, came on for hearing in the office of the Oil Conservation Commission at Santa Fe, New Mexico at 1:30 O'clock, R.M. on the 6th day of May, 1938; and the Commission having considered the same,

IT IS THEREFORE ORDERED that the hearing in the above matter, be and the same is hereby continued to June 27th, 1938, at 9:00 o'clock, A.M., and at that date to be heard in the office of the Oil Conservation Commission at the Capitol, Santa Fe, New Mexico.

DONE at Sante Fe, New Mexico, this 6th day of May, 1938.

OIL CONSERVATION COMMISSION

Frank Worden, Commissioner of Public

lands,

Secretary.

A. Andreas

Acting State Geologist

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

THE APPLICATION OF R. A. NIPPER AND DAVID FINKELSTEIN TO HAVE DECLARED THE HEREINAFTER DESCRIBED WELLS AS ABANDONED WELLS AND THE APPLICATION OF THE SAME SAID PARTIES TO PULL CASING FROM THE SAME SAID WELLS, WHICH SAID WELLS ARE DESCRIBED AS FOLLOWS:

H. L. Williams Well No. 3, located on Section Twenty-nine (29), Township Eighteen (18) North, Range Eight (8) West, N.M.P.M.; H. L. Williams' Well No. 4, located on Section Nineteen (19), Township Eighteen (18) North, Range Eight (8) West, N. M. P. M.

ORDER TO CONTINUE HEARING.

BY THE COMMISSION:

by H. L. Williams, through his attorney, E. R. Wright, Esquire, came on for hearing in the office of the Oil Conservation Commission at Santa Fe, New Mexico at 9:00 o'clock, A. M. on the 12th day of April, 1938, and H. S. Glascock, Esquire, attorney for the petitioners, R. A. Nipper and David Finkelstein in said cause having advised the Commission that the continuance of the hearing as requested in said motion was agreeable,

IT IS THEREFORE ORDERED that the hearing in the above matter, heretofore ordered by publication as provided by law and set at the hour at which this Motion came on for consideration, be and the same is hereby continued to May 12, 1938, at 9:00 o'clock, A. M., and at that date to be heard in the office of the Oil Conservation Commission at the Capitol, Santa Fe, New Mexico.

CASE NO. 11

ORDER NO. 116.

DONE at Santa Fe, New Mexico, this 12th day of April,

1938.

OIL CONSERVATION COMMISSION

Frank Worden, Public Lands,

Secretary.

A. Andreas Acting State Geologist.

SERVINGO SAN CONSTRUCTION OF STREET 1936

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF R. A. NIPPER AND DAVID FINKELSTEIN TO PULL CASING FROM CERTAIN WELLS.

MOTION TO POSTPONE HEARING

Now comes H. L. Williams, of Prescott, Arizona, by E. R. Wright, his attorney and moves the Commission to postpone the hearing set for April 12, 1938 to May 12, 1938, and in support of said motion files herewith the affidavit of H. L. Williams, which he makes a part of this motion.

Dated at Santa Fe, New Mexico, this 7th day of April, A. D. 1938.

Santa Fe, New Mekico

il il biographic de

BEFORE THE OIL CONSULVATION COMPLESION

OF REE STATE OF NEW MEXICO

In the Matter of the Application of R. A. NIPPER and DAVID FINKELSTEIN to pull casing from certain wells.

P

AFFIDAVIT RESISTING APPLICATION AND

FOR POSTPONEMENT OF HEARING

H. L. Williams, being first duly sworn, deposes and says, That he is a resident of Prescott, Yavapai County, Arizona, and of lawful age. That he is the owner of the wells mentioned in the Application of R. A. Nipper and David Finkelstein, and holds a lease from Santa Fe Pacific Railway Company, on the ground in which said wells are located. That this deponent has never abandoned either of said wells or the lease upon which they are located. He denies that he ever sold the casing in said wells to Frank V. Quigley and Alexander O. Burnham, as alleged in the application. He states the facts to be that the casing in said wells does not, under the terms of the lease existing between himself and the Santa Fe Railway Company, consist of personal property. That such casing was not mentioned in the Bill of Sale, mentioned in the Application; and that in truth and in fact, it was well understood between deponent and his assignees that the well casing was not included under the terms of such Bill of Sale, but, on the contrary, that such casing was to remain in the ground to be used for further development under the terms of said oil and gas lease. That during the last year and a half deponent has spent more than \$4,925.80 in the payment of rentals for lease, covering the ground upon which said wells are located, and that he has made large expenditures for the purpose of developing said leased property, and to continue work thereon. That said wells are necessary to the further development of said property.

Deponent has a full and complete defense to the Application and desires to be present at the hearing. He will be unable, however, to appear and present his evidence at the hearing now fixed for the 12th day of April, 1938, and therefore, requests that the hearing be postponed for the period of thirty days. At any time on or after May 12, 1938, deponent can be present in order to present his defense to the Application.

Deponent is now making plans for the purpose of developing said least and sinking said wells No. 3 and 4 to additional depth; said plans calling for expenditures of more than 100,000.00 on the leased property.

WHEREFORE, deponent prays that the hearing in the above matter be continued for the period for at least 50 days, and upon such herring, the application by decied.

Subscribed and sworn to before me this 4th day of April, 1938.

Ty commission expires

Dec 17,1941

Della W. Kay

& Twellamo

In the Matter of the Hearing Called by the Oil Conservation Commission of the State of New Mexico for the Purpose of Considering the Application of R. A. Nipper and David Finkelstein to have Declared the hereinafter described Wells as Abandoned Wells, and the Application of the same said parties to pull casing from the same said wells, which said Wells are described as follows:

Case No. 12

H. L. Williams Well No. 3, located on Sec. 29, Twp. 18 N., Rg. 8 W., N. M. P. M.

H. L. Williams Well No. 4, located on Sec. 19, Twp. 18 N., Rg. 8 W., N. M. P. M.

TRANSCRIPT OF TESTIMONY

Conservation Commission of the State of New Mexico, at Santa Fe, New Mexico, on July 26, 1938, at 9 A. M., pursuant to Notice of Hearing duly served upon H. L. Williams, and R. A. Mipper and David Finkelstein, the parties hereto, and their respective attorneys, and filed in said case, the members of the Commission present being Hon. Frank Worden, State Land Commissioner, Secretary of the Commission, and Hon. A. Andreas, State Geologist. E. R. Wright, Esq., of Santa Fe, N. M. appeared as attorney for H. L. Williams, respondent, Messrs. Denny & Glascock of Gallup, N. M. by H. S. Glascock, Esq., appeared as attorney for the applicants, R. A. Nipper and David Finkelstein. Carl B. Livingston, Esq., Santa Fe, N. M.

Whereupon the following proceedings were had:

COMMISSIONER WORDEN: This meeting is called for the purpose of hearing the application of R. A. Nipper and David Finkelstein to have declared the hereinafter described wells abandoned and the application of the same parties to pull casing from the same wells, which said wells are described as follows:

H. L. Williams Well No. 3, located on Section 29, Township 18 North, Range 8 West, and H. L. Williams Well No. 4, located on Section 19, Township 18 North, Range 8 West.

Are there any statements the attorneys would care to make?

MR. GLASCOCK: May it pleas the Commission, it is the contention of the applicants that they are the owners of certain casing located in wells originally referred to as Williams Wells numbers 3 and 4.

I might say in outlining our case, that early on 1936 two gentlemen from New York named Burnham and Quigley acquired from Mr. Williams an assignment for all of his oil leases and acreage and permits in McKinley County on what is usually known as the Hospah Structure. A part of this land was Government land on which Mr. Williams held an assignment of a prospecting permit for exploration for oil; the balance of it was land belonging to the Santa Fe, Pacific Railway Company. At the same time Mr. Williams gave these gentlemen a bill of sale which covered the following described property:

All the personal property including two Standard drilling rigs. all machinery, workings, tools, equipment, engines, boilers, tanks, beilers, cars, pipe lines, pumping stations, loading and unloading facilities, reservoirs, and any and all other personal property of every kind, nature and description whatsoever, incidental to, connected with, suitable, necessary, or convenient for the exploration, prospecting, drilling and development of oil wells.

Under that bill of sale, these gentlemen from New York pulled the casing from the two Government wells, have

thing else on the two Government wells, that is the wells on Government land. They also sold all of the tools and equipment on the Santa Fe land. That was sold to various people, some of them pulled the casing, handled it in different ways. The casing in Williams wells 3 and 4, which were the wells on the Santa Fe land, and over which this Commission has jurisdiction, was sold to Mr. Nipper and Mr. Finkelstein of Tampa, Texas, for \$2,000 as is, they to pull the casing. When they started to pull the casing, they were advised by your Commission they would have to have your consent, and that is what we are here for today.

between Mr. Williams and Mr. Quigley, Mr. Quigley and Mr. Burnham, his partner, reconveyed to Mr. Williams the leases themselves.

That was necessary in order that Mr. Williams could get a new lease from the Santa Fe; the old lease 'md run out and there was some \$19,000 due in back rentals. Mr. Williams wanted to get a new lease and they eventually assigned their leases to Mr. Williams, and in that assignment there was this reservation. This is the assignment back to Mr. Williams from Mr. Quigley and Mr. Burnham which Mr. Williams had to have before the Santa Fe would give them the leases. This assignment is dated July 17, 1936, between Frank V. Quigley and Alexander O. Burnham of the first part, and M. Milliams of the second part, and contains this provision:

"Save and excepting, however, unto said Frank V. Quigley and Alexander O. Burnham all of their right, title and interest in and to the personal property, whether above ground or within the ground, of the said Hospah Structure described in a certain bill of sale from said H. L. Williams to said Frank V. Quigley and Alexander O. Burnham, dated February 8, 1936."

It is our position that Quigley and Burnham had acquired the casing before, with all the other personal property, in the original bill of sale, but that if there was any doubt about it, it certainly becomes conclusive when Mr. Williams accepts back from them an assignment with that reservation in it. I think we can show that without that assignment back from Quigley and Burnham Mr. Williams could not have gotten these leases; so he takes that assignment and takes the benefit of it and he certainly is estopped and barred from claiming that he is not bound by the whole thing.

I don't know what position Mr. Williams is taking here. The only pleading filed would indicate he claims the Santa Fe Railroad Company owns this casing. I think we can establish the Santa Fe does not make any claim to the casing. It is our position we own the casing and have complied with whatever regulations you gentlemen make concerning the pulling of it; we have a right to pull it. We are willing to do whatever you say to protect the oil strata formations, and so on.

We also think this: That this Commission does not really have jurisdiction to pass on the title to this casing; that it is not up to you to say whether Mr. Williams owns the casing or whether Mr. Finkelstein and Mr. Nipper own it. We are not trying the question of who owns this casing, but it is our duty to protect the oil stratas and formations if we do pull it, and whoever pulls that casing must do those things, so when you set up your requirements to protect the oil stratas. I think if you do that it is up to Mr. Williams and Mr. Nipper and Mr. Finkelstein to fight it out in the courts over who actually owns the casing. Your duty is fully done if you protect the oil formations and you can certainly do that by saying whoever pulls this casing must do these particular things. I think that is the order this Commission should make. (Argument)

If you enter such an order saying that the Commission has no jurisdiction to determine ownership but does require whoever pulls this easing to do this particular thing, we will go out and pull the easing and do exactly as you think it should be done, and if Mr. Williams thinks he owns it or the Santa Fe think they own it, then he can go into court and get an injunction and we can try the thing out in a court of law, where the thing should properly be tried.

We would like to get a ruling on that proposition, after Judge Wright has stated his position, as to whether or not the Commission is going to pass on the title to the casing or whether it is going to say what is required to be done in order that the casing be pulled.

JUDGE WRIGHT: If the Commission please, I don't think Mr. Glascock and myself are so terribly far apart in connection with this situation.

I think the first thing this Commission has to determine under the facts is, have these wells been abandoned? Then I think I agree with Mr. Glascock that this Beard has no jurisdiction to determine the ownership of the casing for that is a matter that should be litigated in the courts, and for that reason I am not going to make any particular statement as to the facts. We don't agree with Mr. Glascock on the facts in connection with the sale and transfer of the personal property, but I agree with him that should be litigated in the courts. The proposition is this, have these wells been definitely abandoned.

We are prepared to show the outstanding existing lease that the Santa Fe made late in 1936 for a five year term.

Mr. Williams has paid the rent; that lease is in good standing. We have the original here, and a copy.

We will show generally that in connection with the drilling of the two wells, they were drilled down to the oil horizon, the reason he did not go shead and drill them in, there being no pipe line facilities or oil facilities, and the terms of the lease requiring certain substantial payments whether the oil was produced or not.

The next proposition will be that if the Commission would then consider the question of whether these men have a right to pull the casing, that this Commission prescribe rules and regulations for the pulling of that casing, and make their order effective after a reasonable length of time to give a reasonable opportunity of the parties to litigate this matter in court, if they see fit.

I think the preliminary thing to be done is to determine whether or not these wells stand as abandoned wells. Any order made by the Commission as to the method of pulling and what they are required to do should be so worded as not to be effective for, say, thirty days, to give an opportunity to start procedure in court and determine the ownership of the casing.

MR. GLASCOCK: Regarding the proposition that it is first necessary to prove that the wells are abandoned, I am not entirely in accord with Judge Wright on that. As I understand it, even though a well were still in the process of being drilled, it might still be desirable to pull the casing for some reason or other, and if it is pulled and the well treated in accordance with your practices, it could be pulled even though it was not an abandoned well. We have two applications. I imagine they will be treated together, the same evidence goes to both. One is to pull the casing; we are asking to do that whether we

can prove the wells are abandoned or not. An order can be made, without saying who owns it or has a right to pull it, but simply saying if this casing is pulled, you must do these things. We expect to go ahead with our proof that they are abandoned wells but if, for any reason, we should fail in our proof to your satisfaction that the wells are abandoned, I still think the Commission should prescribe regulations by which the casing may be pulled by the rightful owner.

COMMISSIONER WORDEN: We will now hear the testimony on this.

(Messrs. Prost, Nipper, Hemenway, Duffy and Williams sworn as witnesses)

JUDGE WRIGHT: I think we would like to have the witnesses step out.

(Mr. Duffy excluded from room)

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JOHN A. FROST, called as a witness in behalf of the Applicants, having been first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. GLASCOCK.

- Q What is your name?
- A John A. Frost.
- Q Where do you live?
- A Farmington, New Mexico.
- Q What is your employment?
- A I am with the United States Geological Survey, Division Engineer.
- Q Does your territory include all of McKinley County?
- A Yes.
- Q Are you familiar with what is generally known as the Hospah Structure?
- A Yes.

- Q Tell the Commission just where that Structure is located,
 Mr. Frost?
- A Well, it is in Townships 17 and 18 North, Range 9 and 10 West, I believe; New Mexico Principal Meridian.
- Q Has there ever been any commercial production of oil from that Structure, any oil actually sold or delivered or transferred from that Structure?
- A There has been a little bit used there in connection with drilling operations a number of years ago; I don't believe there has been any outside sales.
- Q How many producing wells are on this Structure?
- A Three wells as capable producers.
- Q Do you know whether all three of those are actually commercial wells or not, of commercial value?
- A That is a debateable question. The operator who drilled them hasn't seen fit to produce them in some ten years or more since they were drilled.
- MR. GLASCOCK: Judge Wright, will you admit Mr. Frost's qualifieations as an expert on oil wells and oil production? JUDGE WRIGHT: I think so; for the purpose of this hearing.
- Q What is your opinion as to whether or not those three wells are of commercial value?
- A I don't know whether I would want to commit myself until I see them produce a well, to say whether they are productive or not.
- Q You say they have been drilled about ten years?
- A Longer than that, as I recall. Mr. Williams' Hancock well No. 1, drilled in Section 1, that was completed and shut in October 5, 1927.
- Q Is that one of the three you refer to?
- A That is one of the three I refer to.
- JUDGE WRIGHT: Let me ask one question. You say that well was

completed and shut in. It still remains shut in?

- A Yes.
- Q The casing has not been pulled in that well?
- A Not in this particular well. Another one is listed as a small well. Drilling ceased in June, 1926.
- Q What Section is that?
- A Hearst No. 1. in Section 1.
- Q Has that been shut in?
- A Yes.

MR. GLASCOCK: Is that a Mr. Williams well?

A That is not.

JUDGE WRIGHT: The casing has not been pulled in that well?

A No sir, not in that one; and the same Company drilled another well in Section 36, 18 North, 9 West.

MR. GLASCOCK: When was that drilled and completed?

A July and August, 1927.

JUDGE WRIGHT: Has that one been shut in?

- A Yes.
- Q The casing has not been pulled?
- A No sir.
- MR. GLASCOCK: Are these the three wells you referred to as being wells that are claimed to be of commercial value?
- A That is what some people allege, yes.
- Q But what did you say about whether or not there had ever been any real commercial production of oil from those wells?
- A In the sense of commercial production, they have not been produced.
- Q Are you familiar with the wells known as the N. A. Williams wells numbers 1 and 2?
- A I believe those are the two drilled on Government land?
- Q Yes.

A . . Yes.

- Q When were those wells drilled?
- A What we call well No. 1, the drilling was approved May 3, 1927; drilling commenced April 30, 1927, and ceased in August, 1927.
- Q How deep was that well drilled, about?
- A 2,000 feet, according to the records.
- Q What is the condition of that well that you find at this time?
- A It is plugged and abandoned.

JUDGE WRIGHT: Has the casing been pulled?

A Yes.

MR. GLASCOCK: Did you have charge of the plugging of that well?

- A Yes.
- Q It was plugged and abandoned?
- A Plugged at Government expense and charged plugged off the surety bond. That would also apply to well no. 2.

JUDGE WRIGHT: I will go into that later.

MR. GLASCOCK: You stated that the well was plugged by the Government?

A Yes.

JUDGE WRIGHT: Was that before or after the casing was pulled?

The pipe was pulled, we plugged it, cleaned it up, cemented the sand off; we were going to mud the hole on up through the pipe, and this Mr. Burnham, he came on out to Gallup.

I dropped him a note we were going to plug the well and leave the pipe in the hole and if he claimed any interest in it it would be up to him to make some kind of an agreement to pull the pipe if they wanted it. He came to Gallup and contacted Mr. Carroll, the contractor. They entered into an agreement on the salvage of the pipe, and that was a matter between those two parties.

MR. GLASCOCK: You say that was plugged at Government expense?

- A Yes.
- Q Had demand been made on Mr. Williams to plug it?
- A Yes.
- Q What was his reply to that demand?
- A I don't know. The sum and substance of it was, he didn't make any move on his part to plug it, and the matter was referred to Washington and we got authority from Washington to plug the wells, after he had been served by notice by registered mail.
- Q Who paid the Government for plugging that well?
- A The Bonding Company paid us for it, they reimbursed us for what we had spent.
- Q Was there any oil in that well, Mr. Frost?
- A There was a little bit on top of the water when we cleaned it out and we took the precautions to bail the wells to find out whether there was any oil. After we got that little oil off, there was no more oil showed up other than what we would call a showing there.
- Q Had that well been represented to you to be a commercial well?
- A The only way I could answer that would be to say what was in the records; there were copies of letters that showed people had been led to believe it was a commercial well.
- Q How about the Williams well No. 2?
- A The well was approved for drilling September 17, 1927;

 August 31, commenced drilling; ceased drilling, March 25, 1928;

 final plugging April 25, 1928.
- Q How deep was that well, 1800 feet, was it?
- A The reported depth on it.
- Q Had that been represented to you as a commercial well?
- A I wouldn't know without looking through the records.

- Q Did you find any oil in well No. 2?
- A A little bit on top of the water when we went in to clean it out.
- Q Mr. Frost, is it generally true that wells in that area covering the Hospah Structure and other surrounding areas usually get a slight showing of oil at some shallow depth?
- A I don't know as I would want to qualify on that because since
 I have been in this District there has only been one well
 drilled in the Hospah area to the Hospah sand; I wasn't around
 the rig at the time they went through that sand.
- Q Did you proceed to the plugging of well No. 2 in very much the same way that you plugged well No. 1?
- A Yes.
- Q The Government plugged it?
- A The two wells were on the same order so far as the water work was concerned; we got permission at the same time to plug both of them.
- Q You called on the Bonding Company to pay the expense?
- A Yes.
- Q Do you know how much that was the Government spent in plugging the two wells?
- A Without looking it up, it was in the neighborhood of twentytwo hundred dollars, I believe.
- Q Are you familiar with the Williams wells numbers 3 and 4?

 They are the wells in question. One other question
 Did Mr. Burnham also have charge of the pulling of the casing

 from well No. 2?
- A Yes.
- Q He took that casing under some sort of agreement with Hr. Carroll and they salvaged it and sold it?
- A Yes.
- Q Are y u familiar with the Williams wells numbers 3 and 4?

- A I know where they are; that is about all I would care to state on that; they were drilled before my time here.
- Q How far are they from Williams wells numbers 1 and 2?
- A Number 3 is, I believe, approximately half a mile east of Well No. 2 on the Government permit, and No. 4, I believe, is about a mile north of the wells.
- Q Do you know when those wells were drilled?
- A I can look in here (referring to memorandum). The one you refer to as Williams No. 3 in Section 29 was commenced in May, 1928, and drilling ceased in August, 1928.
- Q How deep was that well?
- A Our records show 1850 feet.
- Q How about Williams well No. 4?
- A That was commenced in order to keep the record straight on it, it was originally started in June, 1929 and drilling ceased in October, 1930, but they lost some tools in a hole there and they skidded the rig in about 25 (?), it was started in August, 1932, and drilling ceased in March, 1933.
- Q How deep was that?
- A My records show 1750, I have heard it is around 2,000; I don't know.
- Q These last two wells were drilled about the same depth as the first two, approximately?
- A Yes.
- Q Mr. Frost, have you been out to those locations recently, the locations of those wells numbers 3 and 4?
- A Not right to them. I was out to the Mospah about two weeks ago, I believe; it was within three weeks anyway.
- What is the situation of those wells at the present time with reference to whether or not the machinery and camp houses and derricks and so on are still there?

- A About everything has been moved in, the derrick has been wrecked, the camp houses are gone, I believe, the majority, if not all, the tools have been hauked away.
- Q Do you know who disposed of those tools, derricks, boilers, and so on?
- A Well, Burnham sold some of them through correspondence; other parties have been referred over to your office to contact Burnham, I suppose Carroll sold some of it.
- Q Have you been right to those wells in recent years, within the last year or two years?
- A Within the last two years I have been to each one of them a number of times.
- Q Do you know the condition of the holes, whether they are filled up with junk or anything of that sort?
- A The so-called No. 3 well that you refer to, I got it confused with one of the Government wells to start with, I found it filled with junk, timber, rock, and things they could drop into it, it was full clear to the surface.
- Q Mr. Frost, would it be possible to drill down through that junk, rock and timbers and so on?
- A That would depend on what it is; some times you can, some times you can't.
- Q Has there been any activity connected with either one of those wells since the dates you gave there, one 1923 and the other 1933?
- A Not that I know of.
- Q Do you go up there frequently?
- A Quite often in the regular course of the work.

CROSS EXAMINATION BY MR. WRIGHT.

- Q Mr. Frost, when you went out there to plug those two wells on the Government permit, did you find any traces of previous efforts having been made to plug those wells?
- A Well, sir, I believe the point you have in mind there, we distinguish between what you call plug and abandon the well and probably mudding it for indefinite suspension. To answer your question, we had a difference of opinion over what had been done out there.
- Q Do you know who did the previous work?
- A I wasn't there at the time.
- Q Who was supposed to have done it?
- A Duffy was the man in charge of it, he had an extra man or two out there that I believe actually did the work. At that particular time I had just returned from the hospital for an appendicitis operation and couldn't get out and was not present. In my regular course of work I inquired around, fo nd out where they hauled the water from, where they get their material, and in checking up there was a decided difference over what I wanted done and what had been done.
- Q Didn't you approve that plugging?
- A I did, at the time I approved it but I hadn't been out at the well.
- Q You approved the plugging of the two wells?
- A Not what I call plugging, that was mudding.
- Q You approved the mudding of the two wells on the theory of indefinite suspension of operations?
- A Yes.
- Q You filed your report to that effect?

- A Yes, I can produce my copy of it. (Producing paper)

 I believe this is the one that you refer to, here in June,
 1934, the Hospah sand from 1848 to 1950 carried oil and
 water; no test was ever made of oil; this shows the well
 was mudded for indefinite suspension during May, 1934.
- Q And you approved that, and so reported to the Government?
- A Yes.
- Q When was it that a later call was made for plugging the well as an abandoned well?
- A Here is what I call the cancollation of approval. Under date of May 14, 1934, Mr. W. G. Duffy as agent of Alexander O. Durnham submitted a notice alleging he had mudded No. 1 well with approximately 25 barrels of mud and that the mud was introduced from the surface from a mixing box.
- Q Do you know how much easing there was in that well at that time?
- A The 122 was set at 82 feet, the 10 inch at 1197 and $8\frac{1}{4}$ at 1841.
- Q Do you know what the depth of the bottom of that well was?
- A That particular one, I think, is the one that was alleged to be 2,000 feet.
- Q When was it that you cancelled your approval?
- A April 16, 1935.
- Q When was the further plugging done?
- A The notice was finally approved March 1, 1937; the work was started late in 1935 along in November or December.
- Q What was the reason for the further plugging of that well with the pipe still in the well?
- A Well, it has been our policy just making a general statement that if a well has been drilled and they walk off and leave it, haven't attempted to plug it or produce it, they call upon the operator to plug the well. In these cases, as I mentioned a while ago, some of my old records would indicate that they

tested, if they were to take the proper procautions, if they were not to plug them. There was no effort made to prove any oil was in them. We communicated with Mr. Williams, finally wrote him a letter and sent it by registered mail. No effort was then made to go in or prove there was oil in them or plug them. The matter was then referred to washington and permission was finally granted to proceed to enter into a contract to plug the two wells.

- Q But no demand has been made on Mr. Williams to plug the others?
- A They are on railroad land, we have no jurisdiction of those wells.
- Q How did you happen to communicate with Mr. Burnham about these two wells, Numbers 1 and 2?
- A Mr. Quigley had been up through Farmington the summer of
 1930. I believe it was, in connection with checking or buying
 those wells, making a deal on them, and also a well over on
 the Indian Reservation near vista, and some one told him to
 come to my office to get some information and he was the one
 that was telling me about this proposed transfer of title
 and I told him what we had been doing. When authority came
 from Washington, that is how I happened to drop him a note,
 so if he was interested in the casing to give him an opportunity to pull it. As a matter of policy, if it is necessary
 to pull the pipe out of the well, we pull it and plug it; if
 it is not absolutely necessary to the best interest of the
 department, we will clean the well out and fill the casing
 with mud and cement the surface up.
 - Q How long did you say you had been connected with work out there in McKinley County?

- A I have been in this district since the fall of 1929.
- Q Who was your prodecessor?
- A A fellow by the name of Snow.
- Q Was he working there when numbers 1 and 2 were mudded in by Duffy?
- A No, I was here then.
- Q Did you find that number 1 had been comented in, the casing had been set and comented at the bottom?
- A I can probably tell you how much we got out of it. On the well number 1, we pulled 990 ft. of 8½ casing, and the casing that was left in the hole extended from 990 ft. on down to 1841.
- Q That would indicate it was comented in place?
- A Fither that or it was stuck, one or the other. I see in here in a letter, the 8½ casing reported comented at 1841 in the August 1927 monthly report. That was where I was checking over some of our old records.
- Q That was cemented down very close to the bottom of the hole?
- A Xes.
- Q What was the reason of asking for other action than just the mudding of that well?
- A This casing was set on top of what they call the Hospah sand and after that pipe was set in coment the well was drilled on through that sand or at least into it, and that is where they get their water and showing of oil.
- Q How do you know that?
- A We bailed the well and cleaned it out and then we went in to cerent down through that, and then tested the well to see whether the water was shut off or not before we proceeded with the rudding of it.
- Q Row about number 2?

- A The casing pulled out of well number 2, we cut the shoe (?)
 joint on the 6 5/8ths down in that well, that was the inside
 string, we cut 585 of 8½ casing, that was the outside string,
 there was 180 of that particular string left in the hole
 from 585 to 765.
- Q Did you find any indications of a casing leak in number 2 well in the 6 5/8 inch?
- A I don't know that I could answer your question definitely one way or the other; we were interested in cleaning the well out to the bottom and then bailing it to see whether there was water and oil in it.
- Q Were both of those well capped when you went in there?
- A The number 1 was capped but when we went into it we found quite a bit of dirt, 280 ft. from the top, when we got to that, we found boards and things of that kind that would float on top of oil and water. Then we found some open holes. There was no mud on the hole for a ways. We had to drive that stuff to the bottom and fish it out to get to the sand. The same thing applied to the well number 2 that was not capped. We found boards, sticks and stuff pretty well to the top of it. We had to clean that out before we could get to the fluid.

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RE-DIRECT EXAMINATION BY MR. GLASCOCK

- Q Mr. Frost, you say that those wells were ordered mudded off in what year 1934, was it?
- A Yes.
- Q That was on the theory that operations would be suspended for some period of time?
- A Yes.
- Q Was that upon representation of Mr. Williams that he intended

to go ahead and produce or develop those wells?

- A Off hand, I couldn't answer that question, but the policy, if that might explain it, a great many times when a permit, what we call our prospecting permits, are still in good standing and if a well isn't being materially damaged, that we would suspect anyway, and the operator doesn't want to plug it and he has good reasons for not wanting to do it, yet we want the well protected, then we tell them to mud it, what we call, fill it up with fluid mud, cap them to the surface and let them stand that way.
- On 1936 when you ordered the wells plugged, would it have been possible even after you ordered them plugged, for Mr.

 Williams to have obtained a waiver of that plugging order if he had shown definite intention to go shead and develop those wells?
- A I think so; we don't go out and tell people to do something for the pleasure of making them do it.
- Q After you ordered him to plug the well, if he had come forward and showed some intention to go ahead, that plugging order could have been withdrawn?
- A I would like to find the letter I wrote; that letter was sent registered to Mr. Williams. He might have it there in his files.
- Q Is that the usual policy, that even after you order plugging, if they show some real desire to go ahead and develop the well, the government will permit them to do it?
- A Yes, as far as that is concerned.
- Q Did Mr. Williams reply to you, in response to your letter telling him you were going to plug these wells?
- A He replied to one of them, I don't know just off hand which one

it was.

Q Do you find that letter, that reply? Do you have there a letter which you wrote to Mr. Williams advising him these wells were to be plugged?

MR. GLASCOCK: Judge Wright do you have that letter?
JUDGE WRIGHT: Yes (producing letter).

- A Here is one from Mr. Williams dated November 4, 1935; here is the one that was sent registered mail.
- MR. GLASCOCK: We would like to get into the record that letter.

 Could we introduce that in evidence and substitute a copy
 so Mr. Frost will not be without his file on the thing?

 COMMISSIONER WORDEN: You may.
- MR. GLASCOCK: I call your attention to this letter; read it all, if you wish, but the last paragraph is particularly in point and I might read it into the record.

I am reading from a letter dated February 11, 1935, addressed to H. L. Williams, Prescott, Arizona, written by John A. Frost, District Engineer of the United States Biological Survey:

"In view of the above facts, you are requested to show cause within fifteen days of receipt of this letter why the well should not be properly plugged and abandoned and the records closed, at government expense, and appropriate action taken to obtain reimbursement under the surety bond."

- Q Was there ever any cause shown by Mr. Williams in response to that letter?
- A I have one here dated Hovember 4, 1935.
- JUDGE WRICHP: Have you one of February 20, 1935? (Handing witness letter) Did you receive that one?
- A Just off hand I can't say I recall it but I wouldn't question it because I do remember some word had passed to Mr. Duffy

because I had met Mr. Duffy.

- MR. GLASCOCK: You say that on well number 1 the casing had been cemented in at about 1850 ft.?
- A At least from what I have learned since I have been here, I don't believe I would question it, because the pipe was stuck and they had to shoot it there or pull it.
- Q There was an open hole below where the casing was cemented?
- A Yes.
- Q In other words, they had drilled on down through the Hospah sand and fully tested the Hospah sand?
- A Yes, I think that is correct.
- Q Is that also true of well number 2, that the Hospah sand had been tested?
- A Well number 2 had not been drilled as deep, it was drilled quite a distance below where the casing was set.
- Q It was also drilled into the Hospah sand?
- A I think so.

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RE-CROSS EXAMINATION BY MR. WRIGHT

- Q Mr. Frost, what are generally the government requirements under parmit, are they not to drill 500 feet the first year and 2000 feet the next?
- A That was one of the requirements of the old permit but it has been our policy and without a copy of the rules and regulations. here there is some areas there where a 500 ft. well wouldn't get anywhere and a 2000 ft. well might not test any particular horizon in an area where you know how deep to drill.
- Q- What is true in the Hospah area?
- A That case out there, I would say a well 1350 to 1900 ft. in this general area would be sufficient depth to test the sand;

if you wanted to drill deeper to the Dakota sand then it would require a deeper well.

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- E. O. HEMENVAY, called as a witness in behalf of the applicants, having been first duly sworn, testifies as follows:
- Q What is your name?
- A E. O. Hemenway.

(Witness excused)

- Q What is your occupation?
- A Land Commissioner, Santa Fe Pacific Railway Company.
- Q State whether or not the Santa Fe Pacific Railway Company owns Section 29 in Township 18 north, Range 8 west.
- A They do.
- Q And also Section 19 in Township 18 north, Range 8 west.
- A Yes.
- Q Mr. Hemenway, for the information of the Commission here, who originally had the oil leases on those two Sections?
- A Our record shows on Section 19 and 29 a man by the name of R. E. Palmer had Section 19 and assigned to H. L. Williams December 31, 1927. A man by the name of W. B. Johnson had the lease on Section 29 and assigned to H. L. Williams December 14, 1927.
- Q Wr. Hommenway, what was the situation regarding those leases and the payment of the rentals on those leases in the summer of 1936?
- A hey were quite a ways behind with their rentals and we were attempting to work out some solution of their problem rather than cancel them on account of default.

- Q Will you tell the Commission how much delinquent rental there was owing to the Santa Fe on the leases held by H. L. Williams at that time?
- A Around \$19,000.00 for this stuff.
- Q That went back how many years prior to 1936?
- A 1932-3-4-5 and 6.
- Q In other words, there had been no rentals paid on those leases after the year 1932?
- A Partly paid, 1932. 1933-4-5 and 6 were unpaid, and a part of 1958.
- Q Mr. Hemmonway, did you know anything about the negotiations existing between Mr. Quigley and Mr. Williams during the summer of 1936?
- A I, of course, was not in this position at this time; Mr. Collinson was in the Land Commissioner's position. Our files indicate there was some discussion as to the transfer of those leases but no assignment from Mr. Williams to Mr. Quigley and Mr. Burnham was ever acknowledged by the Santa Fe-Pacific.
- Q Do you know whether or not there was such an assignment from Mr. Williams to ... Quigley?
- A Only in our correspondence Mr. Williams and Mr. Quigley both acknowledged that there were some dealings going on; we couldn't say positively whether or not there were.
- Q Do you recall that Mr. Williams undertook to get a new lease from the Santa Fe and you required him to furnish you with the original of the assignment from Quigley and Burnham back to him?
- A We asked him for such a document in the event there was one in existence; we felt we would have to have that if there was one. Our records didn't indicate we ever got it. Our records

indicate the lease was in Mr. Williams' name the whole period.

- Q I will ask you to look through the correspondence and see if you have a letter from Mr. Williams: attorneys sent to you, sending you this original assignment from Quigley and Burnham back to
- A There may be such an assignment there but our records do not indicate we ever acknowledged such an assignment.
- Q Look at this letter here. I will ask you if you received from Mr. J. H. Morgan, one of the attorneys for H. L. Williams, an assignment in duplicate from H. L. Williams to Frank B. Quigley and Alexander 0. Burnham, dated February 28, 1956?
 - A Our records indicate that we did.
- Q I will ask you, Mr. Hemenway, if your files indicate that you received a copy or the original of the assignment dated August 20, 1936, from Frank B. Quigley and Alexander 0. Burnham to H. L. Williams?

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- Q Does that have to do with this acreage here in the Hospah Structure, including Sections 19 and 29?
- A Well, I presume it does. I would say yes.
- Q I will ask you whether or not you required of Mr. Williams that he furnish you with this assignment from Quigley and Burnham before you executed the new lease which he was trying to get from you?
- A At this time, as I remember the file, we were, of course, aware of dealings between Mr. Williams and Mr. Quigey and Mr. Burnham and in order that we might keep the records clear we would, of course, insist that Mr. Williams furnish us, that is, in the event that he had assigned to Quigley and Burnham, copies of that assignment for our approval and in the event Quigley and Burnham reassigned to Williams.

we would expect to have that in our files too.

- Q You did get copies of both?
- A We evidently did.
- Q You got a copy of the assignment from Williams to Quigley and Burnham and a copy of the assignment back from Quigley and Burnham to Williams?
- A We evidently did.
- Q And that was required before you would enter into a new lease with Mr. Williams, that is, if they existed you insisted on having them?
- A If they existed we would insist. My recollection is, they didn't exist, as far as our lease is concerned, the terms of our lease is no assignment would be made without our written consent and that was never procured. That is my recollection.
- Q There was no approved assignment from Williams to Quigley and Burnham but you do have knowledge that there was one?
- A We did have knowledge there was an agreement, in the event they went through it would be necessary we have executed copies of those agreements.

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CROSS EXAMINATION BY MR. WRIGHT.

- Q You entered into a new lease on the 19th of September, 1956. Here is the original, you can look at that.
- A I have notes on that. September 19, 1936.
- Q That lease is still in effect?
- A Yes.
- Q With rentals paid?
- A Yes.
- Q By Mr. Williams?
- A Yes.
- Q And it is still in effect at the present time?
- A Yes.

- Q The current rental is on the basis of 50 cents for the first year?
- A It will be 60 cents, I think, the last one that is paid as I recollect, two years up to September 19th of this year.

JUDGE WRIGHT: I am going to offer in evidence, if the Commission please, that lease, in connection with this cross examination.

Of course we want to keep the original, I have a copy.

- MR. GLASCOCK: We have no objection to the introduction of the copy.
- Q Do you have any rules and regulations which you insist upon in connection with the handling of wells, the plugging of them, mudding them in?
- A Only the provision in the standard form that requires that the lessee abide by the regulations having control; we insist they take care of that.
- Q Prior to 1932, Mr. Williams had paid the rentals under the old leases from 1928-9 to 1952?
- A Yes, a part of 1932.
- Q You required the payment during most of those years of a dollar an acre?
- A 50 cents the first, 60 the second, 70 the third, 80 the fourth and by the fifth it would be about a dollar an acre, the last years, yes.
- Q He had paid a large and substantial sum under those leases?

 A Yes.

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RE-DIRECT EXAMINATION BY MR. GLASCOCK.

- Q Mr. Memenway, just one more question. Does the Santa Fe-Pacific Railway Company lay any claim to the casing in the Williams wells numbers 3 and 4?
- A No; if you will notice, one of the provisions in the lease

is in the event we wish to take that over as a water well for grasing purposes we are obligated to pay the lessee for that; that is my recollection.

- Q And in case of dispute it has to be determined by arbitration?
- A In case I don't see there would be a dispute. If the well failed as an oil well but was a good water well for water for our grazing lessees, it was our privilege to take that well over but we would obligate ourselves to pay for the casing.
- Q In the event of dispute of the value of the casing it was subject to arbitration?
- A I presume so.
- Q That is correct.

(Witness excused)

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(At this time a recess was taken until 1:30 P. M.)

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1:30 P. M:

JOHN A. FROST, re-ealled as a witness for further RE-DIRECT EXAMINATION BY MR. GLASCOCK.

- Q Mr. Frost, How long have you been with the United States
 Biological Survey?
- A Since about the last week in February, 1927.
- Q What are your duties in connection with being a representative of the United States Biological Survey?
- A Supervision of operations on the public domain and Indian lands in connection with wells and plugging for oil and gas and relating subjects.
- Q In other words, it has to do with the protection of oil and gas, of minerals, but oil and gas particularly?
- A 011 and gas, yes.
- Q And you have been serving in that capacity since 1927, you

- Q Where have you served, outside of McKinley County?
- A My present district is northwest New Mexico and Arizona, Southeast Utah and Southwest Colorado. Prior to that I was in the Big Bend Basin in Wyoming.
- Q And has practically all your time been spent since 1927 in the supervision and control and inspection of public lands for oil and gas?
- Q Mr. Frest, youheard the testimony here about the condition of Williams Wells 3 and 4 regarding the time when they were drilled and the present condition of those wells, the depth to which they were drilled, the fact that the machinery, derrick, tools, and so on are now gone from those locations; I will ask you whether or not in your opinion based on your knowledge and experience, those are abandoned oil wells?
 - MR. WRIGHT: We object to that on the ground that is the question which this Commission has to answer from the facts adduced in the case, and it is not a question for expert testimony.
 - MR. GLASCOCK: We think, if the Commission please, that is a question for expert testimony.
 - MR. WRIGHT: I further object on the ground his testimony with reference to the condition of wells number 3 and 4 does not contain sufficient basic facts or knowledge to justify an expert opinion.

(Argument)

COMMISSIONER WORDEN: Objection sustained.

Q Mr. Frost, I will ask you whether or not a well in the condition of Well No. 3 as it has been described here would be by the

Government called an abandoned well?

- MR. WRIGHT: Same objection, and for the further reason that he has not testified to any facts, and he is the only one that has testified as to the condition of that well, or attempted to. He has not presented any facts to this Commission which would indicate he had any knowledge which would enable him to answer that as an expert, even if expert opinion on this question were admissable.
- COMMISSIONER WORDEN: It seems to me your last question is probably the same as the first one. Sustained.
- MR. GLASCOCK: Exception. At this time, if the Commission please, we will ask Mr. Williams to produce assignment from Frank Quigley and Alexander Burnham to H. L. Williams dated July 17, 1936. If you will admit this is a true copy, we will introduce that. May I examine Mr. Williams on this? COMMISSIONER WORDEN: Yes.

(Witness excused)

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- H. L. WILLIAMS, called as a witness in behalf of the applicants, having been first duly sworn, testified as follows:

 DIRECT EXAMINATION BY MR. GLASCOCK.
- Q Mr. Williams, isn't this a copy of the assignment you furnished to Mr. Hemenway as a condition to your getting this new lease?
- A I don't remember ever furnishing him with anything, unless Mr. Morgan sent it on. Mr. Morgan was handling that, and I know the first assignment was not satisfactory and Mr. Morgan sent it back.
- Q Did you later get another assignment?
- A I don't remember.
- Q You wouldn't say Mr. Hemenway was incorrect in saying Mr. Horgan as your attorney did furnish to Mr. Hemenway a copy

- of the assignment from Quigley and Burnham back to you on these leases?
- A No, I wouldn't say that.
- Q As far as you know, Mr. Morgan did?
- A Mr. Morgan handled that whole matter as my attorney.
- Q If he furnished a copy of the assignment, it was with your authority?
- A 0, yes, he was acting for me.
- MR. GLASGOCK: I think, under the circumstances, we will introduce this in evidence, and call your attention to this paragraph here -
- A I believe Mr. Hemenway testified he never saw the assignment, did he not?
- MR. WRIGHT: We desire to object to the introduction as not having been identified as the document furnished.
- MR. GLASCOCK: Judge Wright and Mr. Williams heard Mr. Hemenway's testimony this morning that there was furnished to him an assignment by Mr. Williams' attorneys.
- COMMISSIONER WORDEN: As I recall his testimony, he testified that his files would indicate it was furnished.
- MR. GLASCOCK: We subposed Mr. Williams and asked specifically that that assignment be produced.
- JUDGE WRIGHT: Our answer is, we do not have such a document.
- MR. GLASCOCK: What is the Commission's ruling on the admissability of that? I call your attention, before you rule on that, to our subpoens duces tecum.
- MR. WILLIAMS: All I can say is, the first one that was sent, it wasn't satisfactory to Mr. Morgan and he returned that; whether they ever issued another I don't know, but I know I paid the rents and they accepted them.
- MR. GLASCOCK: It is quite possible your attorney furnished

Mr. Hemenway with some assignment?

- JUDGE WRIGHT: We admit that. I answered you by saying we didn't have it.
- (Assignment from Frank V. Quigley and Alexander O. Burnham to H. L. Williams, dated July 17, 1936, marked Applicant's Exhibit 1)
- (Assignment from W. L. Williams to Frank V. Quigley and Alexander O. Burnham, dated February 8, 1936, marked Applicant's Exhibit 2)
- (Bill of Sale from H. L. Williams to Frank V. Quigley and Alexander O. Burnham, dated February 8, 1956, marked Applicant's Exhibit 3)
- COMMISSIONER WORDEN: Applicant's Exhibits 1 and 2 are admitted in evidence.
- MR. GLASCOCK: We offer them in evidence for the purpose of showing the whole transaction; that was the original assignment from Mr. Williams to Quigley and Burnham to his acreage leases in the Hospah area. (Referring to Applicant's Exhibits 1 and 2)
- (Bill of Sale from Frank V. Quigley to Alexander O. Burnham, dated July 10, 1936, marked Applicant's Exhibit 4)
- (Bill of Sale from Alexander O. Burnham to R. A. Nipper and David Finckelstein, dated August _____ 1937, marked Applicant's Exhibit 5)

MR. GLASCOCK: We offer these in evidence.

JUDGE WRIGHT: No objection.

MR. GLASCOCK: I understand that all five of these exhibits have been received in evidence.

COMMISSIONER WORDEN: Yes.

(Witness excused)

R. A. NIFFER, called as a witness in behalf of the Applicants, having been first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. GLASCOCK.

- Q What is your name?
- A R. A. Nipper.
- Q Where do you live?
- A Pampa, Texas.
- Q What is your business?
- A Selling pipe and buying pipe, drilling oil wells.
- Q Is your firm a corporation, partnership or individual enterprise?
- A Corporation.
- Q With whom are you associated in this enterprise?
- A Mr. Finckelstein and his father.
- Q State whether or not you and Mr. Finckelstein bought from a Mr. Burnham the casing in what is known as Williams Wells number 3 and 4?
- A We did.
- Q How much did you pay Mr. Burnham for that casing?
- A Two thousand dollars.
- Q Have you paid that \$2,000.00?
- A Yes.
- Q And did you receive from Mr. Burnham a bill of sale of that casing?
- A We did.
- Q Did you and Mr. Finckelstein attempt to pull that casing?
- A We did.
- Q Tell the Commission just what steps you took looking towards the pulling of that casing?

- A Well, we came in here and tried to get a permit to pull it.

 Then we went out there and started to pull the 12 and the

 State came out there and shut us down.
- Q What condition did you find those wells in when you got out there, Mr. Nipper?
- A We found the 122 open in the No. 4, I believe it is, and we found the other, No. 3, had a breach in it about 30 feet down.
- Q What do you mean by the expression "had a breach in it"?
- A That was as far down as you could get a measuring line.
- Q Do you know what substance was down in there?
- A No. I don't.
- Q Was there anything in well No. 3?
- A There was not.
- Q No refuse or anything of that sort, stones or anything?
- A No sir, not as far down as we measured it.
- Q Are you sure now of the wells, as to which was well 3 and which was well 4?
- A The only thing I have got to go by is what they told me.
- Q Was there one that had a derrick over it at that time?
- A Yes.
- Q Was that the one that had something in it or was that the one that was open?
- A That was the one that was open.
- Q And it was the other one that was plugged up?
- Yes.
- Q So if that was No. 4 that had a derrick over it, No. 3 was the one that was plugged up?
- A Yes.

- Q Was there a derrick over t is No. 4 well out there, one of the wells?
- A Yes, the one that was referred to me as No. 4.
- Q Were there any tools around there?
- A Well, a string of tools hung in the rig and a few scattered around the rig.
- Q What about the other well, No. 3, was there any derrick there?
- A There was not.
- Q Any tools?
- A No sir.
- Q Nor camp houses?
- A There was a camp about half way between the two wells.
- Q Was there anything left in well No. 3 at all except the casing?
- A Nothing but the thread protectors for the casing.

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EXAMINATION BY STATE GEOLOGIST ANDREAS.

- Q You stated you came in to get a permit to pull the casing.
 Did you get that permit?
- A No, I didn't get the permit. What I done, I came in here after I was stopped to get a permit.
- Q You came for the permit after we stopped you?
- A Yes, and talked to this gentleman here and he said we would have to have a hearing on it and thresh it out here among the Commission.
- Q How much work had you done on pulling the casing before you made even an attempt to get the permit?
- A We moved in there on that No. 4 and put a cement block in the bottom of it and started in on the 12%.
- Q How many days had you been working out there before you were stopped?

- A Well, I would say probably a week, seven or eight days.
- Q You say you have been in the business of salvaging oil pipe for some time?
- A I have.
- Q Where?
- A Texas, Oklahoma, New Mexico.
- Q Did you ever try to pull casing without getting a permit before?
- A Yes.
- Q Whore?
- A In Oklahoma.
- Q Did you ever try it in New Mexico without getting a permit before?
- A No. I don't know as I have.
- Q Having had experience in that business, you knew you had to have one, didn't you?
- A Not on outlawed wells.
- Q You knew better than that, didn't you, Mr. Nipper? You knew you had to have a permit to pull oil well casing anywhere, especially during the last four or five years?
- A No. I don't know as I do.
- Q Did you over pull casing in Oklahoma without a permit?
- A Yes.
- Q When? Within the last four or five years?
- A The last four or five years.
- Q Ever pull any in Texas without a permit?
- A Yes.
- Q Within the last four or five years? (No answer)
- Where did you pull any easing in New Mexico before you went out here on this Mospah area?
- A I pulled some up here on the Red Lake well.
- Q Did you get a permit for that?

- A I don't know whether the fellow got it or not.
- Q Now long ago was that, Mr. Nipper?
- A A couple or three years ago.
- Q This man, I can't recall his name, he was from Oklahoma?
- A Yes.
- Q You recall his name, you must have had dealings with him?
- A Yes, I pulled it for him.
- Q What is his name?
- A I can't recall it now.
- Q He had a partner by the name of O'Neal?
- A I believe he did.
- Q This wan's name was Pat -
- A Patty.
- Q Did he have a permit?
- A I don't know whether he did or not.
- Q You had your dealings with him?
- A Yes.

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CROSS EXAMINATION BY MR. WRIGHT.

- Q Now, Mr. Nipper, when you went out there this well had a derrick over it, you say. What has become of that derrick since then?
- A I don't know; the derrick was there the last time I was there.
- Q Were those wells capped?
- A No sir, neither one of them was capped.
- Q Neither one was capped when you went there?
- A No.
- Q Was the inside casing on that one well capped that was clear?
- A Nothing in it when I went to it and started working on it.
- Q No cap on it. Where did you get in touch with Mr. Burnham?
- A Through Mr. Denny at Gallup.

- Q Where does Mr. Burnham live, do you know?
- A In New York city.
- Q You got in touch with him through Mr. Denny?
- A Yes.
- Q And you are familiar with this assignment of these oil rights from Mr. Williams, Mr. Quigley and Mr. Burnham. You saw them there at the time you made the deal?
- A Yes.
- Q And you saw the bill of sale from Mr. Williams to Mr. Quigley and Surcham?
- A I did.
- Q And you knew the terms of them at the time?
- A Yes.
- Q In these negotiations which resulted in your getting the bill of sale from Mr. Burnham, was Mr. Denny acting as your attorney?
- A No, he was not.
- Q He was not acting as your attorney?
- A He was acting as the other fellow's attorney.
- Q Burnham';;?
- A Yes.

(Witness excused)

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W. G. DUFFY, called as a witness for the applicants, having been first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. GLASCOCK

- Q What is your name?
- A W. G. Duffy.
- Q Are you familiar with the wells which are known as Williams wells number 3 and 4?
- A Yes.
- Q When was the last time that you were out to the location

of those wells?

- A The last time I was out there, I believe was in 1935.
- Q What was the condition of well No. 3 with reference to being open and free from debris and other substances in the casing?
- A Number 3?
- Q Yes.
- A No. 3 was plugged.
- Q What did it have in it?
- A T can't tell exactly what it had in it; a lot of stuff thrown in the hole, blocked nearly to the top.
- Q Could you see any of the stuff to tell what it was?
- A Rock and stuff like that.
- Q Have any scrap iron or anything like that in it?
- A I didn't go into it to see what was in it; I went there to plug the hole or mud it off and found it in that condition.
- MR. ANDREAS: You say you went in there to plug the well?
- A Went in there to mud it off.
- MR. AMDREAS: Who instructed you to do that?
- A Mr. Williams.
- MR. GLASCOCK: Could you tell how far down this plugging with rocks and other stuff went?
- A No, you couldn't tell how far down it went but it was up pretty close to the top.
- Q In your opinion, would it be possible to use that hole and drill flown through that substance that was in there?
- A The only way you could have found out was move a machine or rig in and went in the hole and drilled it out to see how bad it was.
- @ Mr. Duffy, you were formerly employed by H. D. Williams?
- A Yes.
- Q How long has it been to your knowledge since H. L. Williams

has been at the Hospah Structure?

- A Well, the last time I knew of Mr. Williams to be out to the Structure was when he and Mr. Quigley were out there; I don't exactly remember the date, around 1935 or '36, I have forgotten, when they made that deal.
- Q Were you in charge of the drilling of well No. 4 there in 1932 and 133?
- A Yes.
- Q Was Mr. Williams ever there while you were drilling that well?
- A No.
- Q Had he been on that Structure at any time since 1929 until the present date except the time he went out with Mr. Quigley?
- A I couldn't say, up until 1932 when I went out there he never was from my knowledge from 1932 until the time he was out there with Quigley.
- Q Has he been out to your knowledge since the time he went out with Quigley?
- A Not to my knowledge.

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CROSS EXAMINATION BY MR. WRIGHT.

- Q Mr. Duffy, this is not exactly cross examination, but I would like to clear up something Mr. Frost testified about this morning.
- MR. G:ASCOCK: You are making him your witness for that purpose?

 JUDGE WRIGHT: Yes.
- Q Mr. Duffy, You know the two wells known as Williams wells number 1 and 2 on the Government permit?
- A Yes.
- Q Did you go out there and mud those in?
- A Yes.
- Q Mr. Williams paid you for that?

- A Yes.
- Q You did the mudding in under whose supervision?
- A My own.
- Q was there a Mr. Snow connected with the Biological Survey at that time?
- A Mr. Frost.
- MR. GLASCOCK: Snow left that country along about 1928 or 1929 and this happened in 1935.
- Q You were out there and mudded those in in 1935?
- A I believe it was.
- Q Was Mr. Frost around there at all when you mudded those in?
- A No.
- Q You had had experience in mudding in wells?
- A Yes.
- Q You theroughly mudded them in?
- A I mudded them in according to the instructions from Mr. Frost.
- Q You complied exactly with his instructions?
- A As near as I could.
- Q Mr. Williams paid you for that?
- A Yes.
- Q Did you cap that well?
- A No. 1 had the casing head on; I put a bull plug in No. 2.
- Q And capped both wells?
- A Yes.
- Q And they were in that condition when you left?
- A They were when I left.
- Q When did you leave out there?
- A I was out there off and on up until along in 1936.
- Q And they were still capped?
- A The last time I saw No. 2 well, some one had taken the bull plug out and crove a wooden plug in it.

- Q But it was plugged at the time?
- A Yes.

(Witness excused)

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MR. GLASCOCK: That is the Applicants; case, if the Commission please.

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H. L. WILLIAMS, called as a witness in his own behalf, having been first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. WRIGHT.

- Q Your name is H. L. Williams?
- A Yes.
- Q You live at Prescott, Arisona at the present time?
- A Yes.
- Q From about 1927, have you been interested in what is known as the Hospah area in McKinley County?
- A I have.
- Q When did you first become interested in that?
- A I became interested in it the permit was offered to me in April, 1927. The permit was about to expire and they offered me the permit on an over-riding royalty basis provided I could get a rig over there and spud it in before May lat.
- Q That is where wells I and 2 were located?
- A Yes.
- Q On the same permit?
- A Yes.
- Q Did you put the rig in?
- A I did.
- Q When did you become interested in wells 3 and 4?
- A That acreage was held by a gentleman in Gallup and when their

rentals were due they said they weren't in position to pay the second year's rental; they gave it to me on an overriding royalty of two and a half percent.

- Q You paid the rentals?
- A I did.
- Q Did you immediately begin to drill on it?
- A No. I think it was 1928 I started to drill.
- Q Which well did you start to drill then?
- A No. 3.
- Q How long did it take you to drill that?
- A Three or four months, if I am not mistaken.
- Q Mr. Williams, without going into a great deal of detail, the testimony here is that wells numbers 1, 2, 3 and 4 were all drilled to an approximate depth of somewhere between 1800 and 2,000 feet. How deep were wells 3 and 4 drilled?
- A 5 was drilled to a little less than 1800 feet. The object in drilling those, Peerless P.&R. drilled a well within half a mile, I think, of our No. 1. When we hit the top of the sand in our No. 1, it carried some oil and water. The P. & R. claimed it had the identical same sand and they did not have any showing of oil at all. Then I drilled the No. 2 well, which was exactly half a mile due East of No. 1 and found that the sand was 40 feet higher than the No. I well; are just touched the sand, didn't drill into it at all, and that well made quite a little oil; and there was a casing leak in the casing. Then we went on drilling No. 3 and the sand had flattened out then, through there it was only 20 feet higher than the No. 2, showing we were going over. Then I had two geologists out there and located the Hospah Structure and they located two wells one in section 19 and one in section 21. In section 19 I drilled a $15\frac{1}{2}$ inch hole down 1915 feet.

MR. GLASCOCK: Which well was that, now?

- A That was No. 4, the first No. 4, that was considerably higher than our No. 1 well.
- JUDGE WRIGHT: For the information of the Commission, is that a diagram of what you are referring to (handing witness map)?
- (011 & Gas Lease from Santa Fe Pacific Railroad Company to
 H. L. Williams, dated Sept. 19, 1936, marked Respondent's
 Exhibit A)

(Plat marked Respondent's Exhibit B)

- A Yes (indicating on map Respondent's Exhibit B) here is the P. & R. well, that was water; this well is an edge well; this well looked good, just hit the Cop of the sand; this well hit the top of the sand.
- Q Give the numbers of them?
- A This is No. 3, this is 2, this 1. Our geologists both drew this picture. This is the possible oil run in the Hospah Structure; that is the Terrace that goes through there; the Midwest have drilled a well here and that is water. They drilled two wells over here each side of the valley; both of them showed no oil at all on each side of the valley. The Hospah Structure, in our opinion, goes through the way the black line is, you can't get any geologists to agree where it does go, unquestionably it is in here. There is about 15 miles in through here of gathering (?) ground and then formations described like my hands, and this is the dome in through here, the Midwest dome. This well, the average is 287 barrais, this other Midwest No. 1, you never could get any information. This well is a good well. The tanks are there, full of oil, sitting down here are two large tanks. My idea was to feel my way, that is what I was doing when the crash came and I didn't have any more

money and I had to stop. We complied with the terms of the Government permit in overy respect and then when they wanted the well plugged below the casing, No. 1 and 2, we went in there and Mr. Duffy plugged them and Mr. Frost approved it. Then for some reason best known to himself he started his latter writing and started to plug the wells. Why they would want to plug, them I don't know; they were plugged. In the first place, the casing was down; my understanding of plugging a well is if you have an open hole and strike a sand with water and have a sand above without water, the idea is to plug the sand and prevent the water getting into the next sand. In this case this No. 1 well at 1840 feet had 200 sacks of cement and that hole below connected with no sand whatever.

- Q Now, Mr. Williams, dealing with this Santa Fe lease after 1932 and when we had our depression, I guess you would call it, what happened to your ability to pay the rental?
- A I didn't have it, I couldn't pay it. I told Mr. Collinson in 1932, I paid him what I could, and he carried the leases and was carrying them that way when Mr. Quigley came out from New York.
- Q When did Mr. Quigley come out from New York?
- A In 1936, I believe.
- Q Who was Mr. Quigley?
- A Mr. Quigley came out to Arizona with a letter from a friend of mine, he said that he understood that I had some holdings in New Mexico and he said he was in a position to get the capital and he wanted to make a deal.
- Q Did you and Hr. Quigley go out on the Structure?
- A Mr. Stevenson, Mr. Quigley and Mr. Patterson went out on the Structure, I didn't go with them. Mr. Quigley went

back to New York and returned and on his return this deal was started.

- Q You entered into a deal with Mr. Quigley?
- A Yes.
- Q When did you first know Mr. Burnham in the transaction?
- A About the time that Mr. Quigley got the money he told me who his partner was.
- Q Mr. Burnham?
- A Yes.
- Q That was early in 1936 about the time these assignments were drawn up?
- A Yes.
- Q At that time, for the information of the Commission, what was the general outline of the deal that was to be made?

 Just aketch it out.
- MR. GLASCOCK: If the Commission please, if there was a deal between them I presume it was in writing but in any event if it was an oral deal, certainly Mr. Nipper had no knowledge of it. Mr. Nipper has a right to rely on written instruments which have been introduced in evidence. I don't think Mr. Williams is free to testify about his deal with Mr. Quigley.

JUDGE WRIGHT: That is probably true, and we won't go into it.

Q Mr. Williams, Mr. Nipper has testified he was familiar with those papers which were drawn up on the 8th day of February 1936, at the time and prior to the time that he obtained the bill of sale from Burnham. I hand you an assignment which has been marked Applicant's Exhibit No. 2 and you will note that in this it refers to a promise and agreement to pay some \$3000 worth of your debts?

- Q Explain to the Commission what that was and whether or not those debts were ever paid.
- MR. GLASCOCK: If the Commission please, we object to that. The instrument recites that this assignment was given in consideration of that promise. That makes a contract and if the debts were never paid, his remedy is to sue Mr. Quigley for not having paid them, but the assignment is nevertheless valid and, while Mr. Nipper did not buy anything covered in the assignment, it does not invalidate the assignment. We object to going into the question of whether the consideration for the assignment was ever actually paid. We are not in a position to need it. I know it was but we are not in a position to need it and we think it is immaterial and object to it.
- COMMISSIONER WORDEN: It seems to me we are getting away from the Commission's position in the case. This may lead up to certain things but apparently the Commission's position is whether that well is an abandoned well or whether it is not and what happened to those assets I don't think we are really concerned with.
- JUDGE WRIGHT: I will state our position. We are going into this not because we are trying the question of ownership of the personal property at this time but we want to show to this Commission on the question whether this is an abandoned well or hot, what the deal was between Mr. Quigley and to refinance this organization and carry on, and I want to show the picture and then the renewing of the lease and the carrying out and doing of the things by Mr. Quigley. At the time Quigley came out, we expect to show by Mr. Williams that there was a deal made to form the Quigley Corporation. The

porpose of these assignments was to have them in their name so they would have something to turn into the Corporation for the issuance of stock. All the property was to be turned into the Corporation and they were to raise the money.

That all bears on the question of abandonment. As part of that deal, the assignments were made of those leases to be turned over to the Corporation. Mr. Williams found he could negotiate a new lease with Mr. Collinson of the Santa Fe-Pacific and the lease was taken out. Mr. Quigley has entirely fallen down on that deal. I am not offering it as showing ownership or lack of ownership of the personal property but for the purpose of showing good faith in the efforts we made to rehabilitate this thing after the smash of 1932.

- MR. GLASCOCK: I don't think a lot of conversation between Mr. Williams and Mr. Quigley about what they expected to do throws any light on whether these wells had been abandoned or not. If Mr. Williams can testify to anything that they actually did to develop the wells and use them, the fact he has a lease may throw some light on it.
- him to state to the Commission how he came to go into this deal with these people and why he made this assignment. It is only bringing out the facts as to what Mr. William's position was. If he has gone into that with the expectation of getting a financial return it seems to me he should show it.
- MR. GLASCOCK: If he did anything pursuant to that, I would agree with you but unless they testify something was actually done I don't see where it makes the weals abandoned or not.

COMMISSIONER WORDEN: I think we will let him proceed.

- A Mr. Quigley, after he had made his second trip out, took over the Hospah and there was a judgment for it was originally for \$1240 but they out it off to six or seven or eight hundred dollars, but they were threatening to sell the property.
- Q Who was making that threat; who were the attorneys handling that?
- A Mr. Lyle.
- COMMISSIONER WORDEN: Was that some local accounts you owed somebody?
- A Carroll owed it, it wasn't myself. Quigley stated that he could get the money and we would make a deal. I was to transfer all of this acreage. They were to protect - I had sold some undivided interests and they were to protect those undivided interests. The rest of it was to go into the Corporation called the Quigley Corporation, which they were to finance. Also some acreage which I had in Arizona in the Chino valley was to be turned into the Quigley Corporation. which was done. First there was an assignment drawn without a limit. They went into New Mexico and there was a claim there for \$5000 for labor for watching the rig which I knew nothing about and made no arrangements for. Our attorney called the case up and had it dismissed, a man by the name of Hess, there was a watchman out there which I subsequently settled with sold off a lot of stuff, I sent him a lot of money for watching the rig out there, I paid that much, they made me get a release of it. They entered into this agreement, then we changed this assignment to \$3000 limit on the indebtedness they were to pay but everything was to go into

the Quigley Corporation and they posted notices on the rigs to that effect. Then they got some geologists that had some sort of a treatment or other and they found they couldn't finance it and they threw the whole thing up, and the next thing I knew they were trying to sell off this equipment and I tried to stop them. I did stop them after a while.

- Q Then what was the status of the leases?
- They were to pay the rentals and when Mr. Quigley went over the leases there was some \$19,000 owing Collinson. I knew him very well and he said "You have spent a lot of money out there and gone shead in good faith and I will take it up with the Santa Fe and I will issue new leases at 50¢ an acre and cancel your old indebtedness", which was very fair. Mr. Quigley had used that argument that things had been misrepre-Markented to him and he wanted me to face Collinson with him. Mr. Collinson was in the Ashfork Hotel and I said to Mr. Quigley, "I am going to do the talking." I said to Mr. Collinson, "We are in a position now to accept your offer of cancelling my indebtedness and you issuing new leases to me at 50¢ an acre". He said, "I would be very glad to do it". I said, "There is the deal I told you could be made." Then Quigley said to Collinson," I don't know if we want some of that acreage, we want this along that black line in there." I said, "Mr. Quigley, you agreed to protect anybody who has an undivided interest in the 4480 acres and you agreed to to take all the acreage". He said, "I will". He went back East. They said they were ready to take up and pay the rentals, the Quigley Corporation was ready to pay the rentals on the Hospah Structure, and they sent out an assignment for me to make for the Santa Fe but in that assignment I was to

make there wasn't any reservation that they would protect the undivided interests whom I had sold to, so Mr. Morgan wrote them a letter stating it would be necessary for them to add the clause protecting the undivided interests, which they had refused to do and they then refused to pay the rentals at all, and that is where I went in and paid the rentals. Had I thought they couldn't pay those rentals and that they wouldn't have gone on with the deal, I never would have entered the deal. I could have gotten the money to pay the judgment. I subsequently proved that by paying over \$5000 of rentals. Possibly everything isn't in the assignments that ought to be in there. The consideration isn't in there at all. The consideration was the forming of this new company and getting the money to do the developing, not only at Hospah but in the Chino valley.

- Q Since then you have acquired control of the Quigley Corporation?
- A Mr. Weldon, Mr. Stephenson and I control.
- Q You have your Chino development?
- Yes, I have a rig on the Chino and they will be spudding in next week.
- Q Have you ever intended to abandon the wells 3 and 4 on this Santa Fe lease?
- A Absolutely not, I think the Hospah is a good Structure.
- Q How much value in the way of casing was in the two wells?
- A Without the books, I would say that 152 cost me \$7 a foot and the 12% cost me \$5.25. In the number 3 I think I paid \$1.35 for that 6 5/8, somewhere in that range, and about \$1.60 for the 84.
- Q How much did you have in the way of above-ground improvements, drilling rigs, machinery, tools and boiler?

A Thirty-five or forty thousand dollars worth of equipment, I would say. In 1932 Mr. Duffy was talking about my not being there. I was in the East raising money and sending it out to them to drill those wells with.

- Q Has the Government permit where wells numbers 1 and 2 are located been cancelled out?
- A Yes, that has been cancelled. Whether it can be reinstated or not, I don't know. I have been advised by a New York atterney that with the proper representations to the Government it would possibly be reinstated as we had complied with all of the terms.
- Q Why did you not go ahead and drill into those sands?
- A There was no pipe line in there, there was no pumps. The Santa Fe lease requires if you go on production you must stay on production, you must either deliver them their share of the oil or pay the market value of the oil in cash each month. As far as the Government was concerned, I wanted to get a line on the sands in the structure so I could select the section I wanted which I was entitled to, then try to make a real test there. I first wanted to locate the Hospah sand through the acreage we had as to its depth, then drill down in the Pennsylvania if possible, and the idea of that No. 4 test was to run down to the Pennsylvania.
- Q You started with a 15 and 12 foot?
- A Yes.
- Q Mr. Williams, how much money did you put into that operation out there all together, money of your own and money that you raised?
- A Over \$200,000.00, I could get the exact amount if I had the books.
- Q Was it the intent or understanding between you and Mr.

Quigley that any of this casing was to be considered as sold under any of those bills of sale?

- A It certainly was not; it was to be sold to the Quigley Corporation, the company that was formed.
- Q The Quigley Corporation was formed?
- A Yes.
- Q You were to have a certain share interest in that?
- A Yes.
- Q Who else?
- A Mr. Weldon and Mr. Stevenson and Mr. Quigley.
- Q Mr. Quigley was to retain a certain interest?
- A Yes, he and Burnham.
- Q That corporation was actually formed?
- A It was.
- Q But after it was formed nothing further was done to transfer the rights?
- A The notice that this was the property of the Quigley Corporation, I have been credibly informed, was nailed to a post.
- Q How many derricks did you have out there at that time?
- A There were two at the Hospah and one at Stalling.
- Q Was one on the Covernment permit and the other on the Santa Fe?
- A Yes.
- Q And the other was on the Stalling permit?
- A Yes.
- Q Have you anything else you wish to add to that statement, Mr. Williams? There is one other question. Under this Santa Fe lease your next rental will be due in September?
- A Yes.
- Q Have you made arrangements to pay that rental?
- A Yes.

CROSS EXAMINATION BY MR. GLASCOCK.

- Q Mr. Williams, where do you live at the present time?
- A Prescott.
- Q What business are you engaged in there?
- A Mining and oil.
- Q What kind of mining?
- A I am president and general manager of the Hillside Mine. gold and silver.
- Q You say you are drilling for oil down there?
- A We are starting in the Chino Valley, land that belongs to the Quigley Corporation.
- Q How long has it been since you have been on the Hospah structure?
- A Some time in 1936.
- Q Were you there in 1936?
- A Yes.
- Q What was the occasion of your going there in 1936?
- A I went out there to get a release from that watchman at the time that Mr. Quigley requested it, to release the Quigley Corporation from any liability for claim or wages.
- Q Prior to that time how long had it been since you were out there?
- A I believe I was out there in 1934.
- Q Isn't it a fact that after you left there in 1929 you never did even come back into the State of New Mexico until you came to Gallup there to sell this stuff to Quigley and Burnham?
- A I was in Santa Fe here twice that I know of in 1931 and 1932.
- Q Are you sure you were ever out to the Hospah after about 1929 until 1936?
- A Yes, I was out there once.

- Q Have you been out there since 1936?
- A No.
- Q Now, your operations out at Hospah, Mr. Williams, were in the nature of promotional operations, weren't they?
- A Well, I had money in it and I sold undivided interests,
 I presume that is promotion the same as selling stock in
 the corporation.
- Q How much did you obtain from the sale of interests in lands, leases and so forth on the Hospah structure?
- A Without checking the records I couldn't tell you.
- Q Do you have those records here?
- A I have not; they are in Seattle.
- Q You know a subposens duces tecum was served on you calling on you to produce all books and papers of record having to do with the names, addresses of all persons townom you in your individual capacity or as trustee sold any oil leases, rights, or undivided acreage in or to lands in McKinley County on what is known as the Hospah Structure?
- JUDGE WRIGHT: We take the position, in view of the statement made by Mr. Glascock as to the limitations in this hearing, that that is wholly immaterial.

JUDGE WRIGHT: How much of your money did you put in?

- A I don't know; I came into the State of New Mexico with about \$135,000 and I put it all into the State in development.
- Q How much in this particular property, the Government permit and the Santa Fe permit?
- A I would say twenty-five or thirty-five thousand dollars.
- @ Of your own money?
- A Yes, I moved that rig in just that quick; I only had about

20 days to get the rig in there to save that permit.

MR. GLASCOCK: It was not the duty or privilege or right of Mr. Williams and Judge Wright to determine in advance what this Commission would want. They are served with subpoens to produce the books, papers and records for the inspection of the Commission. I don't see what is their reason for not producing them.

JUDGE WRIGHT: The subpoens duces tecum was delivered to me by mail and not to Mr. Williams; I forwarded it to his edited in Arizons. That is all I know about it.

MR. WILLIAMS: All I know about it is, when I came back from the East, I guess it was about the 18th or 19th of this month, I went out to the Hillside Mine. When I came back Mr. Morgan told me I would have to produce all the papers I had and the question of what would be proper or not should be determined subsequently, but the list of these sales. I haven't the books in question at all. Quigley would take all the papers here like a pack rat, he would pick up everything in sight and go off with it. He had full access to the office until he went East and blew up on the proposition. I don't know what he took and what he didn't.

MR. GLASCOCK: It is our position that whether this is a bona fide effort to produce or whether it is a promotional venture is certainly partinent here to show whether those wells are abandoned or not. You are entitled to know just what kind of a venture this was that was going on out there.

(Argumont)

In view of his not having the record here, we would like to be permitted to examine him generally on how much he had sold out there.

JUDGE WRIGHT: Go ahead, I am not objecting.

- Q Approximately, Mr. Williams, how much acreage interest did you sell?
- A Well, I really don't know but I would say approximately 1,000 acres undivided interest.
- Q And at how much an acre?
- A Well, I paid a 20 per cent commission and some times a bonus; that could be determined by checking the lists.
- Q What was the rate per acre?
- A Some of it was 100 and some of it was 250, whatever it started at.
- Q on a minimum basis you sold 100,000 and if it was 250 you sold a quarter of a million. You were the salesman on most of that stuff, weren't you?
- A No, I had several partners.
- Q Would you tell the Commission here that you didn't sell over a quarter of a million dollars worth of acreage interest on the Hospah Structure?
- A If it is necessary to produce the books, I would say the books speak for themselves.
- Q You haven't them here, you say. I am asking you ?? you are sure you didn't sell over a quarter of a million dellars worth of acreage interest on the Hospah Structure?
- A I think the actual cash would be less than that.
- Q You are talking about after you took out salesmen's commissions?
- A No, I am talking about the gross. I think that with the division of interests around there, about half of the interests have been transferred, and I so notified Mr. Quigley, he took part of it.
- Q Mr. Williams, if this question is improper, I will withdraw it. Isn't your desire to keep the Hospah Structure alive

- and keep it from being declared abandoned largely through fear of criminal prosecution for misropresentation?
- A Nobody put a dollar into the Hospah on any other representation through me or any other of the salesmen than exactly what I have stated here; we were drilling to test out those sands; we were going to sink a deep test there.
- Q Mr. Williams, when Mr. Quigley came out to Arizona and talked to you about taking over this project, weren't you already indebted to him to a considerable amount at that time?
- A Not a cent.
- Q Didn't he or his associates have some money in your Hillside mine or some of your other property?
- A Not a cent.
- Q I believe you stated Mr. Quigley didn't pay the consideration set up in the assignment?
- A I have never seen a statement of that from Er. Quigley but I don't think he did.
- Q Don't you know he paid John Kirk's judgment?
- A I understood he did but Mr. Denny said it was too much and he was going to get it cut down.
- Q You know Mr. Quigley obligated himself to pay it?
- A Yes.
- Q You know you haven't been bothered about it since?
- A No.
- Q Don't you know Mr. Quigley settled the pending suit of the Gallup Mercantile Company against you for \$1200.00?
- A I think part of it was paid and a note given.
- Q You never have been bothered any more about it?
- A No sir.
- Q Concurrently with this deal you have told about, you were going to transfer or did transfer to Mr. Quigley and Mr. Burnham a lot of stuff up in San Juan County?

- A No sir, it was the Stalling permit.
- Q Weren't you going to transfer to them a lot of personal property which you later found had been taken away?
- A The Stalling rig was there when you and Mr. Quigley went over there, the notice was posted, it was the property of the Quigley Corporation.
- Q Now, on that proposition, Mr. Williams. You say you understeed this transfer was to be to the Quigley Corporation, the transfer of this acreage and of the personal property?
- A The Quigley Corporation. Quigley said he was going to perpetuate his name and use his name.
- Q You knew when you signed the assignments and bills of sale they read to Quigley and Burnham?
- A They were forming a Delaware corporation and they were going to turn that over there to the Delaware corporation; I think we have got letters that will back me up on that;

 I haven't got them here.
- Q With reference to this deal that you had with Quigley,
 part of it was that you were to transfer to him the Pettit
 permit?
- A Yes.
- Q And you did give him some sort of an assignment on it?
- A Yes, that permit at that time was in good standing.
- Q Isn't it true that at that time Mr. Tom Gibson representing Mrs. Pettit had already given you notice of cancellation and your failure to be able to deliver that Pettit permit was the reason this deal fell through?
- A No, I don't remember, this notice from Tom Gibson, I believe, was received after the deal, I am not positive as to that, but the notice was a regular semi-annual affair, and I told Quigley that we were constantly having trouble with Gibson

and he would serve notice.

- Mr. Williams, you did know that acting for Mr. Quigley and Mr. Burnham, we prepared a suit, the office of Denny & Clascock prepared a suit to quiet title on the Pettit permit and sent it to you for your signature clearing the title in your name, and you were to furnish us your original assignment of the Pettit permit as precedent to quieting that title, and you never did furnish us with the assignment and the suit was never filed?
- A I know you were to clear that title up and I believe Quigley pulled out of the deal before it was closed.
- Q Don't you know you never did even furnish us with the assignment?
- A I would have to go over the correspondence. The original assignment of the permit was sent to Washington and approved in Washington and I don't know where it is unless Quigley would have it.
- Q Mr. Williams, regarding your financial ability, there is now a judgment existing against you in the United States Federal Court?
- A Yes.
- Q In receivership proceedings?
- A I don't know of any receivership proceedings.
- Q Yow much is that judgment to which you refer?
- A I believe around six thousand.
- Q Isn't it about twelve thousand?
- A I don't know, I have never seen the judgment; it was set aside once and subsequently reinstated; they have never delivered the rig that they were to deliver.
- Q Without going into the merits of it -
- A Let's clear it up. My attorney issued a stipulation that I bought this rig and agreed to pay the debts of it. The

affidavit is of record where absolutely refused to, and Edwards made an affidavit he did that on his own authority and the judgment was issued against me and they never even turned over the equipment.

- Q Irrespective of the merits and demerits of the controversy, after those facts were fully roviewed, the judgment is now existing against you?
- A Yes, I understand quite a bit of it has been paid.
- @ Mr. Williams, you knew that Mr. Burnham pulled and sold the casing out of wells number 1 and 2?
- A I learned it after it was done; I know he was notified by my attorney not to sell anything.
- Q You have learned since he did sell that casing?
- Q And that he sold all the personal property out there, the camp houses, tools, derricks, and all that material?
- A Yes.
- Q What was the consideration between you and Wr. Quigley for the transfer back to you of this acreage and the assignment to you of the stockof the Quigley Corporation?
- A Well, the final settlement Mr. Weldon made was that they give them 14 percent of the capital stock of the Quigley Corporation, that took care of about 4 percent that they had sold, and 10 percent which Eurnham took away from Quigley and is issued in Burnham's name. Quigley is no longer a member of the Quigley Corporation, I am informed.
- Chere was a valid consideration and substantial consideration for the reassignment to you for the acreage you had assigned?
- A The valuable consideration was their inability to carry out their deal and the turning over of some 27,000 acres

in the Chino Valley.

- Q Why didn't you insist on reconveyance of the personal property?
- A This was done about 30 days ago; Mr. Weldon went with them; all this has been done in the mean time.
- Q The reassignment of the acreage was done in 1936, wasn't it?
- A I don't know when it was done; I know I sent my personal check to the Santa Fe for the amount of the Hospah rentals and they issued a lease in my name and I signed it; that was the final outcome of that deal.
- Q Why, if this deal fell through, didn't you insist on a reconveyance by Mr. Burnham and Quigley of the personal property you conveyed to them by bill of sale. I am talking about this deal you testified about in 1936 by which you gave him a bill of sale and assignment of lease and so forth?
- A That was not discussed at all. The Quigley Corporation at that time was supposed to have held everything; they were not going to go ahead with the Hospah wut Quigley was writing about moving one of the Hospah rigs over to Arizona.
- Q Did you ever, either in 1936 or since then, try to get back from Mr. Quigley and Mr. Burnham a bill of sale of this personal property on the Hospah Structure which you had transferred to them?
- A I seemed to be persona non grata with both Quigley and Burnham and all of the dealings had been between Weldon and Stevenson. In fact, I don't think I have heard from any of them since my attorney in Arizona notified them that this equipment was part of the deal and he was holding them personally liable.
- Q But you have since settled all your differences and they transferred the Quigley Corporation to you, taken over the Quigley Corporation, obtained a reassignment of the

acreage, issued stock, and the various other things you did in that deal and you didn't ask for or receive a reconveyance of this personal property?

- A I told you I had nothing to do with that deal, Mr. Weldon and Mr. Stevenson was the ones that attended to that.
- Q You don't know whether they asked for or received such a bill of sale?
- A I don't think they even asked for it, everything was gone, Mr. Weldon closed out the deal about 30 or 60 days ago, they hold stock in the Quigley Corporation to the extent of 400 shares and I think there is 150 or 154 shares outside that.
- and swore to under date of April 4, 1938, you state
 "deponent is now making plans for the purpose of developing said lease and sinking said wells * * said plans call
 for expenditures of more than one hundred thousand dollars";
 have you spent since that time any part of \$10,000 to carry out the plans?
- A Haven't even started to organize; sold the Hospah grant for a million and a half and had to take it back after six weeks.
- Wer. Williams, as a matter of fact, all you have done on the Mospah since 1933 has been just plans, isn't that true?

 You haven't actually done anything out there?
- A We shut the well down there in 1932, since that time we skidded the rig; there was nothing done on the Jospan except when Mr. Quigley came out and started his deal he was going to finance.
- Q We didn't do anything, he didn't drill or clean out the wells?

- A They put up a little bit of money and sold all the equipment off.
- Q They didn't develop anything?
- A They didn't even got steam up in the boiler.
- Q You haven't developed anything?
- A No, but I intend to, I paid over \$5,000 in rentals and I borrowed that money personally.
- Q Isn't it true all youhave done out there since 1932 is just make plans?
- A No, I paid rentals; surely that shows good faith.
- Q You haven't done anything looking towards the development of these particular wells?
- The tried to figure out some way where I could get the money to go to a deep test; I don't intend to do anything with the No. 3 well until such time as the deep test is completed, until we have the field lined up.
- Q You have made plans, and that is all, since 1932'
- A Weldon and I definitely have decided we would drill the Hospan out ourselves if we couldn't interest anybody else.
- Q That is another plan you have?
- A I just don't follow you.
- Q Let me make myself clear. Have you done any concrete thing?
- A No.
- Q Or hired anybody else to do anything?
- A We have talked with a couple people with a view of interesting them, sofar we haven't done anything except pay rentals and hold our ground.
- 2 You say you have sold about 1,000 undivided acreage interest out there, 1,000 acres?
- A I said I didn't know just how much I had sold.
- Q Approximately 1,000?
- A Maybe so, I am not trying to split hairs but you are asking

- me now something I don't want to testify to unless the books are laid down here on the table.
- Q Isn't that another thing you were asked to produce in your subpoens, the names and addresses of persons to whom you had sold? (No answer)
 - Mr. Williams, you recall this being in an instrument which you signed conveying your undivided acreage interest held in the Hospah Structure to Mr. Quigley and Mr. Burnham:

 "Save and excepting, however, unto the said H. L. Williams all his right, title and interest which the said H. L. Williams may have in and to the undivided acre interest of the 250 acres of what is known as the "Santa Fe Railroad Leases" on the Hospah Structure in McKinley County, State of New Mexico". Does that clause read 1,000 acres?
- A That has nothing to do with that. I have a letter somewhere from Mr. Quigley. Quigley was going to follow this
 thing before he got Burnham into it on a different basis.

 He wanted an undivided 100 acres, if he raised the money
 himself. In this letter Quigley writes Burnham and states
 100 acres of that 250 belongs to he and Burnham, the other
 150 acres was acreage that I had promised but never delivered
 title to to those who had helped sell acreage, salesmen,
 and Quigley had an understanding as to just who it was.

-0-

EXAMINATION BY MR. ANDREAS.

- Q You say you have been paying rentals on this acreage since 1933?
- A 1932, I coulun't pay, then Collinson let the leases accrue.

 I mean the rentals accrue. Then when Quigley came into the picture just before Quigley came into the picture,

 Collinson came out to see me. He said "I will tell you

what to do, I will get the directors, whoever handles it, to cancel your \$19,000 and issue you a new five year lease at the first year 50 cents an acre". I said "I think I can handle that. It wasn't more than 30 days after that Quigley came on the scene. When Quigley came on the scene I told him this and then we had some differences over accounts, he is a very excitable fellow. That is why when Collinson came to Ashfork just before he was killed I took him down there, and Mr. Collinson verified that statement, then when Mr. Collinson was killed this other gentleman Mr. Hemenway carried out his agreement.

- Q What was the object of your keeping up these rentals the last several years?
- A I wanted to drill the Hospah again, I have one real belief in the future of the Hospah. I have been scraping and borrowing from Peter to pay Paul and keep these leases.

 I am not obligated, the assignment made is simply an absolute assignment. I put a lot of money into the Hospah.
- Q Did I understand correctly you intend to deepen the No. 4 well?
- A I intend to run the No. 4 well down to Pennsylvania. That is why I started the 15\frac{1}{2} inch hole, it was 1915 feet and the bull wheel gauge broke, it was a very heavy string, and when those bull wheels came loose they went up the derrick, the line broke, and they dropped 1915 feet. The Gallup Coal Company gave me one of their old hoisting cables, 1\frac{1}{2} inch line, we went down there with a side (?) skid, got this stem, the pinon was off it, pulled it up into the 15\frac{1}{2} inch casing, couldn't pull it through. We worked there for about a week. We never could get it to work. What was in the bottom, I don't know. When we shut it down we skidded the

rig and used it as a water well. They got out 800 feet of 15½ inch. They went on down, my understanding, 2,000 feet but you have a lot of formation on that location of No. 4 that has been eroded away. Duffy got about an 8 or 10 barrel well, he wired me about the sand which a great many of them contend is the sand we got at Seven Lakes, whether that is true or not I don't know. I wasn't there, I was out getting money to keep the fellows going.

JUDGE WRIGHT: That is all the testimony we have to offer.

MR. GLASCOCK: Might I ask the Commission when you rule on this, that you rule specrately on the two applications.

-0-

STATE OF NEW MEXICO

SS

COUNTY OF BERNALILLO

I hereby certify that the foregoing pages, numbered 1 to 67, both inclusive, contain a true and correct transcript of the testimony taken and proceedings had in the foregoing entitled matter.

June Blasson:

Court Reporter

MOTICE FOR PUBLICATION	
STATE OF NEW MEXICO — OH CONSERVATION COMMENSMEN	
Parsant to Charge 72, Santa	NEW MENT
by which Act to 15 servette Commission of Serve Sciec wa	OIL CONSERVATION COME TO THE COMMENT OF THE COMMENT
created, vesting staid Commission with the jurisdiction and authority	MAR 22 1938
over all matters relating to the con- servation of oil and gazing this State	
and of the enforcement of all pro- visions of said Act, notice is hereby	
given that a public hearing will be held at the Capitol, Santa Fe, New Mexico, on the 12th day of April	Affidavit of Publication
1938, at 9:00 A. M., for the purpose of considering the following:	
CASE NO. 11 The application of R. A. Nipper	
and David Finkelstein to have de- clared the hereinafter described wells as abandoned wells and the	and regions of the con-
application of the same said parties to pull casing from the same said	UNTY OF SANTA FE ss.
wells, which said wells are de- scribed as follows:	Y OF SANTA FE)
H. L. Williams' Well No. 3, located on Section Twenty-nine	
(29), Township Eighteen (18) Norin, Range Eight (8) West, N. M. P. M.; H. L. Williams' Well	
No. 4 Innoted on Section Nine-	he New Mexico Examiner, a weekly newspaper of general cir-
(18) North, Range Eight (8) West, N. M. P. M.	tion in the City of Santa Fe, the County of Santa Fe, and the
o. Glascock, Ganup, New Mexico.	te of New Mexico, printed in the City of Santa Fe each week;
in the subject of the said hearing	t the attached is a true copy of Audication
Given under the seal of said Commission at Santa Fe, New	t appeared in the New Mexico Examiner, issues of
Mexico, on March 11, 1938. OIL CONSERVATION COMMISSION,	and complete
By CLYDE TINGLEY, Governor.	tion of the paper.
By FRANK WORDEN, Commissioner of Public Lands.	Signed: Jany Layno
By A. ANDREAS, State Geologist. (SEAL)	
Published March 18 1938	ATE OF NEW MEXICO UNTY OF SANTA FE
	Y OF SANTA FE
	Lavey Synow appeared before me this
	21 day of March 19 known to me
to	be the person above making affidavit, and after being duly
	orn, deposes and says that the statements above made are true
and	accurate to the best of his knowledge.
	Canal Esper
	Notary Public in and for Santa Fe County, State of New Mexico.
3.4	Commission expires (Bs/ 24 1939



NEW BARYAGE SOUND AND THE PROPERTY OF THE PROP

Affidavit of Publication

114arch 19, 19368 STATE OF NEW MEXICO COUNTY OF SANTA FE CITY OF SANTA FE __, hereby swear and affirm that I am the _ of the New Mexico Examiner, a weekly newspaper of general circulation in the City of Santa Fe, the County of Santa Fe, and the State of New Mexico, printed in the City of Santa Fe each week; that the attached is a true copy of Ludlica as it appeared in the New Mexico Examiner, issues of_____ March 18, 193 __, in a full and complete edition of the paper. Signed: 5 STATE OF NEW MEXICO COUNTY OF SANTA FE CITY OF SANTA FE by new appeared before me this 19___, known to me day of March to be the person above making affidavit, and after being duly sworn, deposes and says that the statements above made are true and accurate to the best of his knowledge. Cana! Notary Public in and for Santa Fe County, State of New Mexico. My Commission expires: (4 24

NOTICE FOR PUBLICATION State of New Mexico

Pursuant to Chapter 72, See Laws of 1835, State of New Mi leo, by which Act the Off Case vation Commission of New Mexico was created, vesting said Commis-sion with the judisdiction and au-thority over all setters relating to the conservation of oil and gas in this State and of the enforcement this State and of the enforcement of all provisions of said Act, notice is hereby given that a public hearing will be held at the Capitol, Santa Fe, New Mexico, on the 12th day of April, 1938, at \$200 A. M., for the purpose of considering the following: Case No. 11

Divid Fishelstein to have sired the havelstate describ-wells as abandoned wells and same and wells, which said wells are described a follows:

H. L. Williams' Well No. 3, located on Section Twenty-nine (29), Township Eighteen (18), North, Range Eight (8) West, N. M. P. M.; H. L. Williams' Well No. 4, located on Section Nine-

No. 4, located on Section Nineteen (19), Township Eighteen
(18) North, Range Eight (8)
West, N. M. P. M.
Attorney for the applicants is H.
S. Glasrock, Gallup, New Mexico.
Any person having any interest
in the subject of the said hearing
shall be entitled to be heard.
Given under the said of said
commission at Santa Fa, New Mexico, on March 11, 1238.
Oil Commission,
By CLYDE TENGLEY,
Governor.

Gove By FRANK WORDEN, er of Public Lands
By A. ANDREAS, (Seal)

State Geologis 1 Pub. 3-12-38

NEW MEXICO Aftidavit of Pallication

MAR 14 1938
STATE OF NEW MEXICO))ss.
COUNTY OF MCKINLEY)
6. m. Carter being duly sworn upon his
oath, deposes and says:
That he is
on the day of, 19,
the third publication being on the day of
, 19
and the last publication being on the
, 19
That such newspaper, in which such notice or advertisement was published, is now and has been at all times material hereto, duly quali-
fied for such purpose, and to publish legal notices and advertisements
within the meaning of Chapter 167 of the 1937 laws of the State of New
Mexico.
6, m. barter?
Affiant.
Sworn and subscribed to before me this 124 day of
Musich., A. D., 1938
con being
Notary Public.

My commission expires

My Commission Endeze Des No. 1988

NOTICE FOR PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

Pursuant to Chapter 72, Session Laws of 1935, State of New Mexico, by which Act the Oil Conservation Commission of New Mexico was created, vesting said Commission with the jurisdiction and authority over all matters relating to the conservation of oil and gas in this State and of the enforcement of all provisions of said Act, notice is hereby given that a public hearing will be held at the Capitol, Santa Fe, New Mexico, on the 12th day of April, 1938, at 9:00 A. M., for the purpose of considering the following:

CASE NO. 11.

The application of R. A. Nipper and David Finkelstein to have declared the hereinafter described wells as abandoned wells and the application of the same said parties to pull casing from the same said wells, which said wells are described as follows:

H. L. Williams' Well No. 3, located on Section Twentynine (29), Township Eighteen (18) North, Range Eight (8) West, N.M.P.M.; H. L. Williams' Well No. 4, located on Section Nineteen (19), Township Eighteen (18) North, Range Eight (8) West, N.M.P.M.

Attorney for the applicants is H. S. Glascock, Gallup, New Mexico.

Any person having any interest in the subject of the said hearing shall be entitled to be heard.

Given under the seal of said Commission at Santa Fe, New Mexico, on March 11, 1938.

OIL CONSERVATION COMMISSION

	GIL Commence in small the strength of
Form C-102 NEW MEXICO OIL CON	OIL COMMISSION OF THE STATE OF
	New AIPPER 30 Har
NEW MISCELLAN	1111 Same 1 Sam 1 Sam 1 To the 121 Sam 1 S
Out Colles Submit this notice in triplicate to the Oil Conservation Corporation of the sender on which will visable, or the rejection by the Commission or its agent, of	mmission or its proper agent before the work is recitled in to be given the approval, with any modifications considered ad-
and work should not begin until approval is obtained. See a	difficult instructions in the Rules and Regulations of the
Indicate nature of not	tice by checking below:
NOTICE OF INTERPON TO TEST CASING SHUT-OFF	NOTICE OF INTENTION TO SHOOT OR CHEMICALLY TREAT WELL
notice of intention to change plans	NOTICE OF INTENTION TO PULL OR OTHERWISE ALTER CASING
NOTICE OF INTENTION TO REPAIR WELL	notice of intention to plug well.
NOTICE OF INTENTION TO DEEPEN WELL	
	and the contract of the contra
Pampa, Texas,	December 14, 1957
OIL CONSERVATION COMMISSION.	Place Date
Santa Fe, New Mexico.	
Gentlemen:	
	ribed below at the Well No. 4 in
Company or Operator Lease	Well No. 4 in
McKinley County.	P. M., HOSPAH STAUCTURE Field,
FULL DETAILS OF PRO	
FOLLOW INSTRUCTIONS IN THE ROLLES	AND REGULATIONS OF THE COMMISSION
We shall plug the well by	y putting a plug in the well
and cement on top of the plug.	
marker on top of the surface for level ground, unless other ins	
The Oil Conservation Commission	n.
	o pull the casing. The foregoing
is simply a suggestion as to t the well should be plugged, as	
	governed entirely by the desires
of the Conservation Commission	
	ther it should be plugged at all.
	uch method as may be deemed most
advisable, unless the Conserva detailed instructions regarding	
Approved	R.A. NIPPER and DAVID FINKELSTEIN
except as follows:	By David Inkelilee
77	Position
x	Send communications regarding well to
OIL CONSERVATION COMMISSION,	Name D. A. Finkelstein

Title

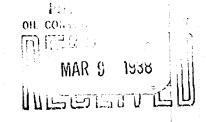
Address Box 1376, Pampa, Texas.

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s specified is is considered actually be follower rulations of the property of
OR
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3

We shall plug the well by putting a plug in the well and cement on top of the plug. We shall cement a steel marker on top of the surface four feet or over above ground level, unless other instructions are given us by The Oil Conservation Commission.

This is an application to pull the casing. The foregoing is simply a suggestion as to the method by which we believe the well should be plugged, as a part of the pulling of the casing. We are willing to be governed entirely by the desires of the Conservation Commission as to the manner in which the well should be plugged, or whether it should be plugged at all. The casing will be pulled by such method as may be deemed most advisable, unless the Conservation Commission shall furnish detailed instructions regarding the pulling of the same.

Approved, 19	By Company or Operator By Cauch Land Calcai Position Send communications regarding well to
OIL CONSERVATION COMMISSION,	Name D. A. Finkelstein
Ву	Address Box 1376, Pampa, Taxas
Title	



BEFORE THE OIL CONSERVATION COMMISSION

FEB 23 1938

OF THE STATE OF MEN MENICO

In the Matter of the Application of R. A. NIPPER and DAVID FINKELSTEIN for the abandonment of certain wells.

APPLICATION

Come now R. A. Nipper and David Finkelstein, and make application that certain wells located in McKinley County, New Mexico, be declared abandoned wells, and state:

- 1. That the wells referred to are as follows:
 - H. L. Williams' Well No. 3, located on Section Twenty-nine (29), Township Eighteen (18) North, Range Eight (8) West, N.M.P.M.; H. L. Williams' Well No. 4, located on Section Nineteen (19), Township Eighteen (18) North, Range Eight (8) West, N.M.P.M.
- 2. That said wells were drilled a number of years ago; that no oil or gas has been encountered in said wells in commercial quantities; that H. L. Williams, the operator who drilled said wells, has sold all of his drilling equipment located at said oil wells, including casing in the wells, derricks, tools, camphouses and all other personal property there located, and definitely abandoned said wells.
- 3. That these petitioners are the owners of the casing located in the above-described wells.
- 4. That these retitioners stand ready, able and willing to comply with any and all lawful requirements of this Commission, regarding the rulling of said casing and the plugging of said wells in event said wells are declared abandoned and ordered rlugged.

Respectfully submitted,

P.a. nippen

STATE OF TEXAS

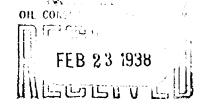
David Finkelstein, being first duly sworn, upon his oath states:

That he is one of the within-named applicants; that he is authorized to and does make this verification for himself and his coapplicant; that he has read the within and foregoing APPLICATION and knows the contents thereof, and that the same is full, true and correct of his own knowledge.

David Timbelstein

Subscribed and sworn to before me this ______ day of February, 1938.

My commission expires:

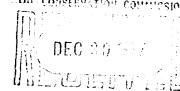


BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

NEW MEXICO

In the Matter of the Application of R. A. NIPPER and DAVID FINKELSTEIN to pull casing from certain wells.



APPLICATION

Come now R. A. Nipper and David Finkelstein and make application to pull casing from certain wells located in McKinley County, New Mexico, and state:

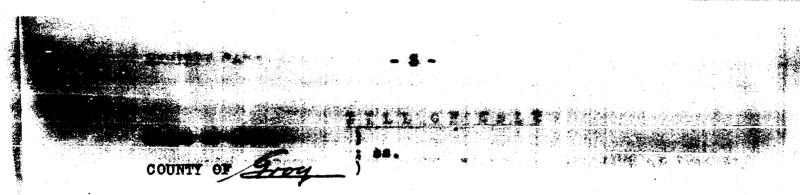
- 1. That they are the owners of the casing in two certain dry and abandoned wells known as H. L. Williams' Well No. 3 and H. L. Williams' Well No. 4. That said H. L. Williams' Well No. 3 is located on Section 29, Township 18 North, Range 8 West, N. M. P. M.; that said H. L. Williams' Well No. 4 is located on Section 19, Township 18 North, Range 8 West, N. M. P. M.
- 2. That there is filed herewith and made a part hereof as fully as though copied in full herein, a form of notice of intention to pull casing, on Conservation Commission Form C-102, setting forth the details of the proposed plan of pulling said casing.
- 3. That there is attached hereto, marked Exhibit "A" and made a part hereof, a copy of Bill of Sale from H. L. Williams conveying the title to said casing to Frank V. Quigley and Alexander O. Burnham; that there is attached hereto, marked Exhibit "B" and made a part hereof, a copy of Bill of Sale from

Frank V. Quigley conveying the title to said casing to Alexander O. Burnham; that there is attached hereto, marked Exhibit "C" and made a part hereof, a copy of Bill of Sale from Alexander O. Burnham conveying the title to said casing to these petitioners.

4. That these petitioners stand ready, able and willing to comply with any and all lawful and reasonable requirements of this Commission regarding the pulling of said casing and the plugging of said wells, should such plugging be ordered by this Commission.

Respectfully submitted,

P.a. Nippen David Finhelstein



<u>David Finkelstein</u>, being first duly sworn, upon his oath states:

That he is one of the within-named applicants; that he is authorized to and does make this verification for himself and his co-applicant; that he has read the within and foregoing Application and knows the contents thereof, and that the same is full, true and correct of his own knowledge.

David Finhelste

Subscribed and sworn to before me, this day of December A. D. 1937.

My Commission expires:

une 30 1939

EXHIBIT "A".

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BILL OF SALE

THIS INDENTURE, WITNESSETH, that H. L. WILLIAMS of Prescott, Yavapai County, State of Arizona, has this day bargained and sold, and does hereby bargain, sell, assign, transfer, set over and deliver to FRANK V. QUIGLEY and ALEXANDER O. BURNHAM, of 18 E. 41st, Street, New York City, New York, for the consideration hereinafter named, the following described property, chattels, goods, and personal property, in, on and upon the "HOSPAH STRUCTURE", McKinley County, State of New Mexico, to-wit:

All the personal property including two (2) Standard drilling rigs, all machinery, workings, tools, equipment, engines, boilers, tanks, bailers, cars, pipe lines, pumping stations, loading and unloading facilities, reservoirs, and any and all other personal property of every kind, nature and description whatsoever, incidental to, connected with, suitable, necessary, or convenient for the exploration, prospecting, drilling and development of oil wells.

This Bill of Sale and transfer of the said above described property upon the said above described "HOSPAH STRUCTURE" is given for and in consideration of the sum of Ten (\$10.00) Dollars in hand paid to the grantor, receipt whereof is hereby acknowledged, and in further consideration of the promise of the said Frank V. Quigley and the said Alexander O. Burnham to assume, liquidate, pay off, settle, reduce and compromise only to the extent of Three Thousand (\$3000.00) Dollars, any obligations and indebtedness owed by the said H. L. Williams in connection with and incident to the owning, controlling and operating of the hereinabove described property on the said "HOSPAH STRUCTURE".

IN WITNESS WHEREOF, the said H. L. Williams has hereunto set his hand this 8th day of February A. D., 1936.

Signed, sealed and delivered in the presence of:

(SGD) FAY DIGGS

(SGD) H. L. WILLIAMS

State of New Mexico,)
: ss.
County of McKinley.)

On this 8th day of February 1936 before me personally appeared H. L. Williams, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year in this certificate first above written.

(SGD) FAY DIGGS
Notary Public

My commission expires:

Feby. 23, 1939

(SEAL)

EXHIBIT "B"

THIS INDENTURE, made the 10th day of July, 1936, between FRANK V. QUIGLEY and ALEXANDER O. BURNHAM, of 18 East 41st Street, New York City, New York,

WITNESSETH, that said Quigley, for and in consideration of the sum of Ten (\$10.00) Dollars in hand paid by said Burnham, the receipt whereof is hereby confessed and acknowledged, does hereby appoint, transfer and set over unto said Burnham all of the right, title and interest of said Quigley in and to the chattels, goods and personal property described in the bill of sale of H. L. Williams dated February 8, 1936, a copy of which is attached hereto and made a part hereof, as follows:

All the personal property including two (2) Standard drilling rigs, all machinery, workings, tools, equipment, engines, boilers, tanks, bailers, cars, pipe lines, pumping stations, loading and unloading facilities, reservoirs, and any and all other personal property of every kind, nature and description whatsoever, incidental to, connected with, suitable, necessary, or convenient for the exploration, prospecting, drilling and development of oil wells.

This assignment is absolute and without condition and is intended to convey all of said chattels, goods and personal property, but no interest in any leases.

IN WITNESS WHEREOF, the said Frank V. Quigley has hereunto set his hand this day of July, 1936.

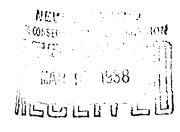
Signed, sealed and delivered in the presence of:

(SGD) FRANK V. QUIGLEY

That I, ALEXANDER O. BURNHAM		
New York		, County of
n the State of New Mexico, for and in consideration of	of the sum of	(a) political distribution of the control of
The Thousand The Wol Tan	W-100010	Y.L. DOLLAR
	. A. NIP	d acknowledged, have granted, bargained and sold, and be PER AND DAVID FINKELSTEIN, both
Texas	in the	County of
nd State of New Mexico, the following described person	onal property, i	o-wit:
Any and all	casing n	ow in Wells Numbered Three (3)
and Four (4) on the Hos	· ·	
Kinley and State of New	Mexico.	-
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	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
		<u> </u>
	·	

TO HAVE AND TO HOLD, all and singular, R. A. NIPPER AND DAVID FINK		and chattels above bargained and sold unto the said
		their heirs, executors, administrator
		BURNHAM , for myseli
the said R. A. NIPPER AND DAVID	FINKELST	
2. 2. 3		their heirs, administrator.
and assigns, against myself, and against all and every p	erson whomso	ever, shall and will warrant and forever defend.
IN WITNESS WHEREOF, I have hereunto set		•
August , in the ye	ear A. D. 193.	
Signed, Scaled and Delivered in Presence of		(SGD) (SEAL
	}	ALEXANDER O. BURNHAM

			sai	Sta	wh						CO	
BILL OF SALE	My com		d poration.	te of	o being b	unty of		Witness			unty of Or thi	
	ımission ext				y me duly s			s my hand a		AL		NEW Y
TO	oires		nd seal on this	id instrument w	worn, did say th	 		his	person descr	EXANDER		· ., ·
					nat he is		-	y and year la		O. BURNI		}ss
STATE OF NEW MEXICO, SSS.			ackm	, and that	,			st above writt	vho executed		Aug	
is inst			owledged sa	the seal af							gust	
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Book of Bills of Sale, page , on this .				strumen							ь. 7 ., ь	
A. D. 193				t is the				•• •••			elore m	
County Clerk.	County,			corporate	***********			Notary			ie persona	
Deputy. PRINTED AND FOR SALE BY VALLIANT PRINTING CO., ALBUQUERQUE	New Mexico	otary Public		e seal of said	o				4		ally appeared	



BEFORE THE OIL CONSERVATION COLVISSION

FE8 23 1938

OF THE STATE OF DEV MEXICO

In the Matter of the Application of R. A. NIPPER and DAVID FINKELSTEIN for the abandonment of certain wells.

APPLICATION

Come now R. A. Nipper and David Finkelstein, and make application that certain wells located in McKinley County, New Mexico, be declared abandoned wells, and state:

- 2. That said wells were drilled a number of years ago; that no oil or gas has been encountered in said wells in commercial quantities; that H. L. Williams, the operator who drilled said wells, has sold all of his drilling equipment located at said oil wells, including casing in the wells, derricks, tools, camphouses and all other personal property there located, and definitely abandoned said wells.
- 3. That these petitioners are the owners of the casing located in the above-described wells.
- 4. That these petitioners stand ready, able and willing to comply with any and all lawful requirements of this Commission, regarding the pulling of said casing and the plugging of said wells in event said wells are declared abandoned and ordered plugged.

Respectfully submitted,

R.a. Nippe

COUNTY OF TEXAS) ss.

David Finkelstein, being first duly sworn, upon his oath states:

That he is one of the within-named applicants; that he is authorized to and does make this verification for himself and his coapplicant; that he has read the within and foregoing APPLICATION and knows the contents thereof, and that the same is full, true and correct of his own knowledge.

David Linkelstein

Subscribed and sworn to before me this 17 day of February, 1938.

Notary Public O

My commission expires:

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OF COME

4T25F#1

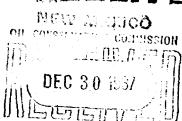
BEFORE THE OIL COMBERVATION COMMISSION

FEB 23 1938

OF THE STATE OF NEW MEXICO

DEC 1 8 195/

In the Matter of the Application of R. A. NIPPER and DAVID FINKELSTEIN to pull easing from certain wells.



APPLICATION

Come now R. A. Nipper and David Finkelstein and make application to pull casing from certain wells located in McKinley County, New Mexico, and state:

- 1. That they are the owners of the casing in two certain dry and abandoned wells known as H. L. Williams! Well No. 3 and
 H. L. Williams! Well No. 4. That said H. L. Williams! Well No.

 Sw SW

 No. M. F. M.; that said H. L. Williams! Well No. 4 is located on NESW

 Let Mannet
 - 2. That there is filed herewith and made a part hereof as fully as though copied in full herein, a form of notice of intention to pull casing, on Conservation Commission Form C-102, setting forth the details of the proposed plan of pulling said casing.

Section 19, Township // North, Range 1 West, N. E. P. M.

3. That there is attached hereto, marked Exhibit "A" and made a part hereof, a copy of Bill of Sale from H. L. Williams conveying the title to said easing to Frank V. Quigley and Alexander O. Burnham; that there is attached hereto, marked Exhibit "B" and made a part hereof, a copy of Bill of Sale from

LEB 33 1638

Frank V. Juigley conveying the title to said casing to Alexander O. Burnham; that there is attached hereto, marked Exhibit "C" and made a part hereof, a copy or Bill of Sale from Alexander O. Burnham conveying the title to said casing to these petitioners.

4. That these petitioners stand ready, abla and willing to comply with any and all lawful and reasonable requirements of this Commission regarding the pulling of said casing and the plugging of said wells, should such plugging be ordered by this Commission.

Respectfully submitted,

P. G. Nipper David Forhelstein

- 3 -

STATE OF TEXAS

COUNTY OF Frag

SS.

David Finkelstein, being first duly sworn, upon his oath states:

That he is one of the within-named applicants; that he is authorized to and does make this verification for himself and his co-applicant; that he has read the within and foregoing Application and knows the contents thereof, and that the same is full, true and correct of his own knowledge.

David Timbelstein Afflant

Subscribed and sworn to before me, this day of December A. D. 1937.

Hotary Public

My Commission expires:

EXHIBIT "C"

half to week

BILL OF SALE

THIS INDRITURE, WITHESDETH, that H. L. WILLIAMS of Prescott, Yavapai County, State of Arizona, has this day bargained and sold, and does bereby bargain, sell, assign, transfer, set over and deliver to FLASE Y. WIGLEY and ALEXANDER O. BURBHAN, of 18 7. 41st, Street, New York City, New York, for the consideration hereinefter named, the following described property, chattels, goods, and personal property, in, on and upon the "MOSPAH STRUCTURE", McKinley County, State of New Mexico, to-wit:

All the personal property including two (2) Standard drilling rigs, all machinery, workings, tools, equipment, engines, boilers, tanks, bailers, cars, pipe lines, pumping stations, loading and unloading facilities, reservoirs, and any and all other personal property of every kind, nature and description whatsoever, incidental to, connected with, suitable, necessary, or convenient for the exploration, prospecting, drilling and development of oil wells.

porty upon the said above described "HOSPAH STRUCTURE" is given for and in consideration of the sum of Yen (\$10.00) Bollars in hand paid to the grantor, receipt whereof is hereby acknowledged, and in further consideration of the promise of the said Frank V. Auigley and the said Alexander O. Burnham to assume, liquidate, pay off, settle, reduce and compromise only to the extent of Three Thousand (\$2000.00) Bollars, any obligations and indettedness awad by the said H. S. Tilliams in connection with and incident to the owning, controlling and operating of the hereinabove described property on the said "HOSSAT STRUCTURE".

IN LITHROG WHENCOF, the said H. L. Millions has bereinto set his hand this 8th day of February A. D., 1936.

Signed, scaled and delivered in the presence of:

(DGD) FAY DEGGD

(SGD) H. L. MILLIAMS

State of New Moxico,) County of Mckinley.)

On this 8th day of February 1936 before me personally appeared H. L. dilliams, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

IN WITHESS WHEREOF, I have hereunto set my hand and seal the day and year in this certificate first above written.

FAY DIGGS Motary Public

My commission expires:

Feby. 23, 1989

(SEAL)

THIS IMPERIURE, made the 10th day of July,
1936, between FRANK V. QUIGLEY and ALEXARDER O. EURNHAM,
of-18-East-41st Street, New York City, New York,

ation of the sum of Ten (\$10.00) Dollars in hand paid by said Purnham, the receipt whereof is hereby confessed and acknowledged, does hereby appoint, transfer and set over unto said Burnham all of the right, title and interest of said Quigley in and to the chattels, goods and personal property described in the bill of sale of H. L. Williams dated February 8, 1936, a copy of which is attached hereto and made a part hereof, as follows:

All the personal property including two (2) Standard drilling rigs, all machinery, workings, tools, equipment, engines, boilers, tanks, bailers, cars, pipe lines, pumping stations, loading and unloading facilities, reservoirs, and any and all other personal property of every kind, nature and description whatsoever, incidental to, connected with, suitable, necessary, or convenient for the exploration, prospecting, drilling and development of oil wells.

This assignment is absolute and without condition and is intended to convey all of said chattels, goods and personal property, but no interest in any leases.

IN WITHESS WHEREOF, the said Frank V. quigley has hereunto set his hand this day of July, 1936.

Signed, sealed and delivered in the presence of:

(60b) FRAME V. MURCLEY

New York in the State of New Afenies, for and in considerat		
		DOLLAR
		cknowledged, have granted, bargained and sold, and be AND DAVID FINKELSTEIN, both
Pampa Texas	in the C	ounty of
TEXAS and State of New Mexico, the following described p		vit:
Anv and a	ll casing no	ow in Wells Numbered Three (3)
and Four (4) on the F		


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		chattels above bargained and sold unto the said
	•	
		their heirs, executors, administrators
		RNHAM , for myself
my heirs, executors, administrators and assigns, all	and singular, the said	goods and chattels above bargained and sold unto
the said R. A. NIPPER AND DAV		
		their heirs, administrators
and assigns, against myself, and against all and eve		
August in the		thisday of
Signed, Sealed and Delivered in Presence of	ie year A. D. 193	(SGD) (SEAL)
signed section and exercises in a resource of	}	MACHINE O CONTRACTA
	<b>\</b>	ALEXANDER O. BURNHAM (SEAL)

ene capely of trainings.

At Therese A/18/28