

CASE NO.

6316

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

STATE OF NEW MEXICO  
 ENERGY AND MINERALS DEPARTMENT  
 OIL CONSERVATION DIVISION  
 State Land Office Building  
 Santa Fe, New Mexico  
 13 September 1978

EXAMINER HEARING

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 IN THE MATTER OF: )  
 )  
 )

The hearing called by the Oil Conser- )  
 vation Division on its own motion to )  
 permit Cortez Corporation, Aetna Casu- )  
 alty & Surety Company, and all other )  
 interested parties to appear and show )  
 cause why the Fair Well No. 1 located )  
 in Unit D of Section 24, Township 18 )  
 south, Range 26 East, Eddy County, )  
 New Mexico should not be plugged and )  
 abandoned in accordance with a Divi- )  
 sion-approved plugging program. )  
 )

CASE  
 6316

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 BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
 Division:

Lynn Teschendorf, Esq.  
 Legal Counsel for the Division  
 State Land Office Bldg.  
 Santa Fe, New Mexico 87501

## I N D E X

W. A. GRESSETT

Direct Examination by Ms. Teschendorf

3

MR. STAMETS: Call next Case 6316, in the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cortez Corporation, Aetna Casualty and Surety Company, and all other interested parties to appear and show cause why the Fair Well No. 1 located in Unit D of Section 24, 18 South, Range 26 East, Eddy County, New Mexico should not be plugged and abandoned in accordance with a Division-approved plugging program.

Call for appearances in this case.

MS. TESCHENDORF: Lynn Teschendorf, appearing on behalf of the Division. I'd like the record to show that my witness, Mr. Gressett, was my witness in the previous case and has been sworn and qualified.

MR. STAMETS: The record will so show.

W. A. GRESSETT

being called as a witness and having been previously sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MS. TESCHENDORF:

Q Mr. Gressett, what is the subject matter of Case 6316?

A A hearing called by the Oil Conservation Divi-

sion on its own motion to permit Cortez Corporation, Aetna Casualty and Surety Company, and all other interested parties to appear and show cause why the Fair Well No. 1 located in Unit D of Section 24, Township 18 South, Range 26 East, Eddy County, New Mexico should not be plugged and abandoned in accordance with a Division-approved plugging program.

Q And have you reviewed all the reports filed with the Division concerning the Fair Well No. 1?

A Yes, I have.

Q Would you summarize those reports for the Examiner, please?

A This well was originally drilled by Bill Jones Oil Company. Application for permit to drill was approved February the 16th, 1971.

8-5/8ths inch surface casing was set at 1,092 feet and cement circulated to the surface. Had 4-1/2 inch casing set at 1,924 with 175 sacks of cement, with the top of cement at 960 feet by temperature survey.

The well was completed and put on production March the 29th, 1971, and then on April the 19th, 1975 Cortez Corporation purchased the well from Bill Jones Oil Company and they're still operating the well at this time.

Q They have filed no further reports since 1975?

A That's correct.

Q Have you heard from the operator concerning

this case?

A. Yes. I heard from Mr. Priggett (sic) and he was not in opposition to plugging the well, but they would just like to have a little time.

Q And what would you recommend?

A. Sixty days.

Q Is there a bond covering this well?

A. Yes, there is. It has been cancelled for future liability, effective 8-30-75.

Q And what was the spud date on this well?

A. The well was spudded on 2-19-71.

Q So the bond is still effective as to this well?

A. Yes.

Q And who is the surety on the bond?

A. Aetna Casualty and Surety Company.

Q In your opinion could the failure to plug this well cause waste?

A. Yes, it could. This well is offset an active waterflood and if it's not plugged, I feel that it could eventually leak oil and water to the surface.

Q Are you prepared to recommend a plugging program at this time or would you rather wait until the well is actually plugged?

A. I'd prefer to wait till the well is plugged.

MS. TESCHENDORF: I have nothing further.

MR. STAMETS: Mr. Gressett, has -- to your knowledge, has this well been shutin at least since Cortez took over operations?

A There's been no production reported on the well since December of '76.

MR. STAMETS: Any other questions of the witness?

He may be excused. Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

## REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill from my notes taken at the time of the hearing.

Sally W. Boyd CSR  
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 6316  
heard by me on 9-13 19  .

Richard L. Ham, Examiner  
Oil Conservation Division



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

JERRY APODACA  
GOVERNOR

NICK FRANKLIN  
SECRETARY

September 22, 1978

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Cortez Corporation  
P. O. Box 6646  
Odessa, Texas 79762

Re: CASE NO. 6316  
ORDER NO. R-5807

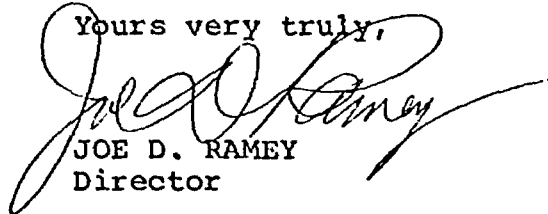
Applicant:

OCD (Cortez Corporation)

Dear Sir:

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

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x  
Artesia OCC x  
Aztec OCC       

Other Aetna Casualty & Surety Company

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6316  
Order No. R-5807

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION  
DIVISION ON ITS OWN MOTION TO PERMIT CORTEZ CORPORATION,  
AETNA CASUALTY & SURETY COMPANY, AND ALL OTHER INTERESTED  
PARTIES TO APPEAR AND SHOW CAUSE WHY THE FAIR WELL NO. 1  
LOCATED IN UNIT D OF SECTION 24, TOWNSHIP 18 SOUTH, RANGE 26  
EAST, EDDY COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND  
ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING  
PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 13,  
1978, at Santa Fe, New Mexico, before Examiner Richard L.  
Stamets.

NOW, on this 20th day of September, 1978, the Division  
Director, having considered the testimony, the record, and  
the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

(1) That due public notice having been given as required  
by law, the Division has jurisdiction of this cause and the  
subject matter thereof.

(2) That Cortez Corporation is the owner and operator  
of the Fair Well No. 1, located in Unit D of Section 24, Town-  
ship 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

(3) That Aetna Casualty & Surety Company is the surety  
on the Oil Conservation Division plugging bond on which Cortez  
Corporation is principal.

(4) That the purpose of said bond is to assure the state  
that the subject well will be properly plugged and abandoned  
when not capable of commercial production.

-2-

Case No. 6316  
Order No. R-5807

(5) That in order to prevent waste and protect correlative rights said Fair Well No. 1 should be plugged and abandoned in accordance with a program approved by the Artesia District Office of the New Mexico Oil Conservation Division on or before November 30, 1978, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Cortez Corporation is hereby ordered to plug and abandon the Fair Well No. 1, located in Unit D of Section 24, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before November 30, 1978.

(2) That Cortez Corporation, prior to plugging and abandoning the above-described well, shall obtain from the Artesia office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Artesia office of the date and hour said work is to be commenced whereupon the Division may, at its option, witness such work.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



*Joe D. Ramey*  
JOE D. RAMEY,  
Director

dr/

Dockets Nos. 31-78 and 32-78 are tentatively set for hearing on September 27 and October 11, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - MONDAY - SEPTEMBER 11, 1978

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6289: (Continued from August 23, 1978, Commission Hearing)

Application of Bill Taylor for enforcement and amendment of Order No. R-5332, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination of well costs, an accounting of expenditures and costs withheld from production, and the amendment of Order No. R-5332 to remove the present operator of the pooled proration unit comprising the N/2 of Section 13, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, and designate another operator for said unit.

CASE 6146: (DE NOVO)

Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tapacito-Gallup and Basin-Dakota production within the wellbore of his Jicarilla Well No. 5 located in Unit D of Section 29, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.

Upon application of Jerome P. McHugh this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6328: Application of Maralo, Inc., for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of secondary recovery, all mineral interests in the Jalmat Yates Unit underlying the following described lands in Township 25 South, Range 36 East:

Section 12: SE/4  
Section 13: NE/4

and the following described lands in Township 25 South, Range 37 East:

Section 18: NW/4 and N/2 SW/4

all in Lea County, New Mexico.

The unitized interval would be all formations or zones extending from the top of the Yates formation down to 100 feet below the base of the Queen formation in the Humble-Winters "A" Well No. 2 located in Unit C of Section 18, Township 25 South, Range 37 East.

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 6313: Application of Maralo, Inc., for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Jalmat Yates Unit Area, Lea County, New Mexico, by the injection of water into various wells located in Township 25 South, Ranges 36 and 37 East.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 13, 1978

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1978, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for October, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6314: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit O-rerland Drilling & Exploration, Ltd., Ohio Casualty Insurance Company, and all other interested parties to appear and show cause why the Lowe State Well No. 1 located in Unit E of Section 15, Township 19 South, Range 29 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6315: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Hugh L. Johnston, Sr., General Insurance Co. of America, and all other interested parties to appear and show cause why the Continental State Well No. 5 located in Unit C of Section 30, Township 17 South, Range 29 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6316: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cortez Corporation, Aetna Casualty & Surety Company, and all other interested parties to appear and show cause why the Fair Well No. 1 located in Unit D of Section 24, Township 18 South, Range 26 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6290: (Continued from August 16, 1978, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R. A. Crane, Jr., Great American Insurance Co., and all other interested parties to appear and show cause why the Donella Well No. 1 located in Unit P of Section 3, Township 29 North, Range 15 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6307: (Continued from August 30, 1978, Examiner Hearing)

Application of Exxon Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Drinkard and Wantz-Abo production in the wellbore of its F. F. Hardison B Well No. 10, located in Unit A of Section 34, Township 21 South, Range 37 East, Lea County, New Mexico. (This case will be dismissed.)

CASE 6317: Application of Harvey E. Yates Company for an unorthodox gas well location and a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 301.75-acre non-standard gas proration unit comprising the N/2 of Section 18, Township 18 South, Range 29 East, Eddy County, New Mexico, to be dedicated to a well to be drilled 1980 feet from the North line and 660 feet from the East line of said Section 18 to test the Morrow formation.

CASE 6318: Application of Coquina Oil Corporation for an increase in casinghead gas allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 303-C-4 to increase the casinghead gas allowable for its Vivian Well No. 1, located in Unit F of Section 30, Township 22 South, Range 38 East, Lea County, New Mexico, the Drinkard and Granite Wash zones in said well being commingled pursuant to Order No. DHC-255 and subject to the GOR limit for the Wantz-Granite Wash Pool.

CASE 6319: Application of Belco Petroleum Corporation for an unorthodox well location and compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the N/2 of Section 31, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to its Mollie Com Well No. 1 located at an unorthodox location 1100 feet from the North line and 1575 feet from the East line of said section. Also to be considered will be the cost of recompleting said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6320: Application of Texas Oil & Gas Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Coquina Federal Com. Well No. 1 to be drilled 660 feet from the North line and 1980 feet from the West line of Section 32, Township 18 South, Range 27 East, to test the Morrow formation, the W/2 of said Section 32 to be dedicated to the well.

CASE 6321: Application of Texas Oil & Gas Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Shugart State Com. Well No. 1 to be drilled 660 feet from the South line and 1980 feet from the West line of Section 16, Township 18 South, Range 31 East, Eddy County, New Mexico, to test the Wolfcamp and Pennsylvanian formations, the W/2 of said Section 16 to be dedicated to the well.

CASE 6283: (Continued from August 2, 1978, Examiner Hearing)

Application of Texas Oil & Gas Corporation for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the W/2 of Section 16, Township 20 South, Range 36 East, North Osuda-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6322: Application of Yates Petroleum Corporation for pool contraction, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-391 to contract the horizontal limits of the Empire-Pennsylvanian Gas Pool to the following:

All of Sections 28 and 29, Township 17 South, Range 28 East

In the alternative, applicant seeks to limit the special pool rules for said pool to the present horizontal limits of the pool.

CASE 6323: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 23, Township 17 South, Range 28 East, Empire-Pennsylvanian Gas Pool, Eddy County, New Mexico, to be dedicated to its Lucas Store JZ Well No. 1 located at an unorthodox location 1980 feet from the North line and 860 feet from the West line of said section. Also to be considered will be the cost of completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6324: Application of Yates Petroleum Corporation for downhole commingling or pool creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wolfcamp and Upper Penn gas production in the wellbore of its Box Canyon GJ Fed. Well No. 1 located in Unit J of Section 13, Township 21 South, Range 21 East, Eddy County, New Mexico. In the alternative, applicant seeks the creation of a new Permo-Penn gas pool for said well.

CASE 6325: Application of Amoco Production Company for unorthodox locations and directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of the following South Hobbs Unit wells located in Township 19 South, Range 38 East, Hobbs Pool, Lea County, New Mexico:

Well No. 120 located 1272 feet from the North line and 1420 feet from the West line of Section 5;  
Well No. 121 located 1450 feet from the North line and 150 feet from the West line of Section 4;  
Well No. 123 located 2390 feet from the North line and 150 feet from the East line of Section 6;  
Well No. 124 located 1925 feet from the South line and 2380 feet from the East line of Section 4;  
Well No. 126 located 1295 feet from the South line and 1365 feet from the West line of Section 10;  
Well No. 122 located 1726 feet from the North line and 167 feet from the East line of Section 4;  
and Well No. 125 located 2016 feet from the North line and 763 feet from the West line of Section 3.

Applicant further seeks authority to directionally drill Wells Nos. 122 and 125 to bottomhole locations in the extreme southeast corners of Unit H of Section 4 and Unit E of Section 3, respectively.

CASE 6326: Application of Energy Reserves Group, Inc., for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle South Blanco-Pictured Cliffs and Otero-Chacra production in the wellbore of its Jicarilla 35 Well No. 3, located in Unit B of Section 2, Township 24 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 6327: Application of O. H. Berry for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its J. L. Isabell Well No. 5-Y located 340 feet from the North line and 330 feet from the East line of Section 15, Township 24 South, Range 36 East, Santa Rosa formation, Lea County, New Mexico, the NE/4 of said Section 15 to be dedicated to the well.

show cause hearing

Cortez Corp.  
Aetna Casualty & Surety Co.  
401 Texas Commerce Bank Bldg.  
Lubbock 79401

Fair Will No. 1  
D-24-185-26E  
Eddy

P. O. Box 6646  
Odessa, Texas 79762

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

August 30, 1978

CERTIFIED - RETURN  
RECEIPT REQUESTED

C  
O  
P  
Y  
  
Cortez Corporation  
P. O. Box 6646  
Odessa, Texas 79762

Aetna Casualty & Surety Company  
401 Texas Commerce Bank Building  
Lubbock, Texas 79401

Re: Fair Well No. 1, located  
in Unit D of Section 24,  
Township 18 South, Range  
26 East, Eddy County  
Plugging Bond

Gentlemen:

Enclosed is a copy of the advertisement of the  
Examiner Hearing to be held on Wednesday, September 13,  
1978, at 9:00 a.m. in the Oil Conservation Division  
Conference Room, State Land Office Building, Santa Fe,  
New Mexico. Case 6316 concerns the above captioned  
subject matter.

Very truly yours,

LYNN TESCHENDORF  
General Counsel

LT/fd  
enc.

DRAFT

dr/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6316

Order No. R- 5807

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION  
ON ITS OWN MOTION TO PERMIT CORTEZ CORPORATION, AETNA CASUALTY &  
SURETY COMPANY, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND  
SHOW CAUSE WHY THE FAIR WELL NO. 1 LOCATED IN UNIT D OF SECTION 24,  
TOWNSHIP 18 SOUTH, RANGE 26 EAST, EDDY COUNTY, NEW MEXICO, SHOULD  
NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-  
APPROVED PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 13,  
19 78, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this \_\_\_\_\_ day of September, 19 78, the Division  
Director, having considered the testimony, the record, and the  
recommendations of the Examiner, and being fully advised in the  
premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Division has jurisdiction of this cause and the subject  
matter thereof.

(2) That Cortez Corporation is the owner and  
operator of the Fair Well No. 1  
located in Unit D of Section 24, Township 18 South,  
Range 26 East, NMPM, Eddy County, New Mexico.

(3) That Aetna Casualty & Surety Company is the  
surety on the Oil Conservation Division plugging bond on which  
Cortez Corporation is principal.

(4) That the purpose of said bond is to assure the state  
that the subject well(s) will be properly plugged and abandoned  
when not capable of commercial production.

(5) That in order to prevent waste and protect correlative  
rights said Fair Well No. 1 should  
be plugged and abandoned in accordance with a program approved by

the Artesia District Office of the New Mexico Oil Conservation Division on or before November 30, 19 78, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Cortez Corporation and Aetna Casualty & Surety Company IS are hereby ordered to plug and abandon the Fair Well No. 1, located in Unit D of Section 24, Township 16 South, Range 26 East, NMPM, Eddy County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before November 30, 19 78.

(2) That Cortez Corporation and Aetna Casualty & Surety Company, prior to plugging and abandoning the above-described well, shall obtain from the Artesia office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Artesia office of the date and hour said work is to be commenced whereupon the Division may, at its option, witness such work.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

PS Form 3811, Nov. 1976

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).  
☐ Show to whom and date delivered .....25¢  
☐ Show to whom, date, & address of delivery .....45¢  
☐ RESTRICTED DELIVERY.  
 Show to whom and date delivered .....85¢  
☐ RESTRICTED DELIVERY.  
 Show to whom, date, and address of delivery ...\$1.05  
 (Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:  
 Cortez Corporation  
 P. O. Box 6646  
 Odessa, Texas 79762

3. ARTICLE DESCRIPTION:  
 REGISTERED NO. CERTIFIED NO. INSURED NO.  
 540134

(Always obtain signature of addressee or agent)  
 I have received the article described above.  
 SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY POSTMARK  
 1978 ODESSA TX CR  
 11/5/78

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

★ GPO: 1976-O-203-456

PS Form 3811, Nov. 1976

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).  
☒ Show to whom and date delivered .....25¢  
☐ Show to whom, date, & address of delivery .....45¢  
☐ RESTRICTED DELIVERY.  
 Show to whom and date delivered .....85¢  
☐ RESTRICTED DELIVERY.  
 Show to whom, date, and address of delivery ...\$1.05  
 (Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:  
 Aetna Casualty & Surety Company  
 401 Texas Commerce Bank Bldg.  
 Lubbock, Texas 79401

3. ARTICLE DESCRIPTION:  
 REGISTERED NO. CERTIFIED NO. INSURED NO.  
 540133

(Always obtain signature of addressee or agent)  
 I have received the article described above.  
 SIGNATURE ☐ Addressee ☒ Authorized agent

4. DATE OF DELIVERY POSTMARK  
 11/5/78 RG

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

★ GPO: 1976-O-203-456

STICK POSTAGE STAMPS TO ARTICLE TO COVER POSTAGE (first class or airmail), CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, leaving the receipt attached, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the back of the article by means of the gummed ends. Endorse front of article RETURN RECEIPT REQUESTED.
4. If you want the article delivered only to the addressee, endorse it on the front DELIVER TO ADDRESSEE ONLY. Place the same endorsement in line 2 of the return receipt card if that service is requested.
5. Save this receipt and present it if you make inquiry.

STICK POSTAGE STAMPS TO ARTICLE TO COVER POSTAGE (first class or airmail), CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, leaving the receipt attached, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the back of the article by means of the gummed ends. Endorse front of article RETURN RECEIPT REQUESTED.
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5. Save this receipt and present it if you make inquiry.

UNITED STATES POSTAL SERVICE  
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.  
• Complete items 1, 2, and 3 on the reverse.  
• Marked postage and attach to front of article.  
• If space permits, otherwise affix to back of article.  
• Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE  
USE TO AVOID PAYMENT  
OF POSTAGE, \$300

RETURN  
TO

OIL CONSERVATION DIVISION

(Name of Sender)

POST OFFICE BOX 2088

(Street or P.O. Box)

SANTA FE, NEW MEXICO 87501

(City, State, and ZIP Code)

UNITED STATES POSTAL SERVICE  
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.  
• Complete items 1, 2, and 3 on the reverse.  
• Marked postage and attach to front of article.  
• If space permits, otherwise affix to back of article.  
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(Name of Sender)

POST OFFICE BOX 2088

(Street or P.O. Box)

SANTA FE, NEW MEXICO 87501

(City, State, and ZIP Code)

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO

Cortez Corporation

STREET AND NO.

P. O. Box 6646

P.O., STATE AND ZIP CODE

Odessa, Texas 79762

OPTIONAL SERVICES FOR ADDITIONAL FEES

RETURN  
RECEIPT  
SERVICES  
DELIVER TO ADDRESSEE ONLY  
SPECIAL DELIVERY (extra fee required)

1. Shows to whom and date delivered ..... 15¢  
With delivery to addressee only ..... 65¢  
2. Shows to whom, date and where delivered ..... 35¢  
With delivery to addressee only ..... 85¢

POSTMARK  
OR DATE

PS Form  
Apr. 1971 3800

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL

(See other side)  
\* GPO: 1970 O-387-488

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO

Aetna Casualty & Surety Company

STREET AND NO.

401 Texas Commerce Bank Building

P.O., STATE AND ZIP CODE

Lubbock, Texas 79401

OPTIONAL SERVICES FOR ADDITIONAL FEES

RETURN  
RECEIPT  
SERVICES  
DELIVER TO ADDRESSEE ONLY  
SPECIAL DELIVERY (extra fee required)

1. Shows to whom and date delivered ..... 15¢  
With delivery to addressee only ..... 65¢  
2. Shows to whom, date and where delivered ..... 35¢  
With delivery to addressee only ..... 85¢

POSTMARK  
OR DATE

PS Form  
Apr. 1971 3800

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL

(See other side)  
\* GPO: 1970 O-387-488