Messrs, George A. Sweetman, John A. Aday, W. M. Parnett.

RE: Oil and Gas Lease dated January 29, 1955.

Gentlemen:

I am enclosing herewith a copy of "Affidavit of Non-development and Non-payment of Rental" as to the above mentioned lease, which I am filing for record in the office of County Clerk of Torrance County, New Mexico. You will please govern yourselves accordingly.

You are further advised that under the Supplemental and Drilling agreement executed in connection with the above mentioned oil and gas lease. I shall expect to take the well drilled on my property for a water well and release you from the plugging bond to the Oil and Gas Conservation Commission of the State of New Mexico. In this connection, you are advised to take such steps as are necessary to turn the well over to me and to do nothing to such well which will render it unusable for water purposes.

You are further advised that 'you are to remove no equipment from the premises until this water well is properly turned over to me in a preserved condition.

You are further advised that you shall, within thirty (30) days from date of this letter, remove all six inch pipe casing from the well, and plug the well at a depth of 450 feet in order to preserve the condition of the well as required herein, and that you shall not remove any equipment until this well is properly turned over to me.

If after thirty days this work has not been completed, I shall hold your equipment in order to obtain a satisfactory adjustment as to cost of labor and other expenses which will be imposed on me in order to properly preserve this well.

Yours truly,

Cecil J. D'Spain

May 16, 1955

Sweetman and Aday Drilling Associates

- c/o Mr. John Aday
 625 Mission NE
 Albuquerque, New Mexico
- c/o Mr. George A. Sweetman Box 162 Estancia, New Mexico

Re: Sweetman & Aday Drlg. Assoc.
D'Spain No. 1
NE/4 NW/4 Sec. 12 - T6N - R6E
Torrance County, New Mexico

Gentlemen:

Reference is made to our letter of April 5, 1955, wherein you were granted an extension of forty five days for the temporary abandonment of the above-captioned well. This extension was granted by Mr. E. A. Chaves, Oil and Gas Inspector for Oil Conservation Commission District No. 4, with the understanding that it was to be the final extension of time.

To the best of our knowledge, the well has not been worked during this forty five day period nor has it been properly plugged and abandoned.

We are hereby allowing you an additional thirty day extension of temporary abandonment to expire June 15, 1955.

During this period of time we shall expect you to arrive at some workable plan for this well and submit it on Form C-102 for approval. This plan can be either for the continuation of drilling or for the plugging of the well. If such has not been done and work is not in progress by June 15, 1955, we shall be required to place this well on the docket for public hearing, and you shall be required to show cause why the well should not be ordered plugged.

Very truly yours,

DANIEL S. NUTTER, Petroleum Engineer

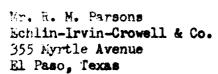
DSN/ir

Call from D'Spain: heers ware, must hand from Estan hants action against Varner. Aweetman Aday to release were on his property. asserts they "have not worked Will in 15 months. teled affidavet of Mon-levelopment and Man pay hunt of mutal and i, 57 to mine pipe + turn wells

P. O. BOX 871

SANTA FE, NEW MEXICO

April 10, 1955



Re: John A. Aday & George A. Sweetman, \$5,000 one-well bond, NE/4 NW/4 Sec. 12, T-6-N, R-6-E, American Employers' Ins. Co. Bond SY-197618

Dear Sir:

Reference is made to your letter of April 6th pertaining to the above-captioned bond.

Our engineer, Mr. Dan Nutter, advised me that he has given an Affidavit of Responsibility, Conversion to a Water Well, to the operators and it will have to be executed by them and the land owner. Upon receipt of this affidavit we will be in a position to cancel the bond and will notify you of termination.

Very truly yours,

A. L. Porter, Jr. Acting Secretary - Director

ALP:brp

P. O. BOX 871

SANTA FE, NEW MEXICO

March 23, 1956

Messors.

John A. Aday
625 Mission NE
Albuquerque, New Mexico

George A. Sweetman P. O. Box 162 Estancia, New Mexico

Re: Sweetman and Aday
D'Spain No. 1
NE/4 NW/4 Sec. 12,
T-6N, R-6E
Torrance County, New Mexico.

Gentlemen:

A recent review of the well file and other records pertaining to the above-captioned well reveals these following facts:

- The well was commenced on or about April 30, 1952.
- 2. The present depth of 1343 feet was reached in January or February, 1954.
- 3. Approximately 1240 feet of 6 inch casing was run and cemented with 151 sacks of cement in February, 1954. The casing parted however at approximately 790-800 feet below the surface. A string of drilling tools is cemented in the casing at a point just below the casing break.
- 4. No productive work has been performed on the well since at least October, 1954.



Mr. John A. Aday Mr. George A. Sweetman March 23, 1956

It is the opinion of the engineering staff of this Commission that due to the present mechanical condition of the hole and the equipment in the hole, there is no practical manner in which this hole can be economically completed. Your actions in long delaying any attempt to complete the well confirm this opinion.

In view of the above facts, this office is of the opinion that you or the Surety Company bonding your performance in the drilling of this well should take immediate action to plug and abandon the well. An alternate to plugging is to plug the well back to a point just below productive water sand and transfer the well to the landowner for his use as a water-well, providing he is agreeable to such transfer and will assume future responsibility for the well.

If no action to dispose of the well in one of the above described methods has been taken on or before April 23, 1956, this Commission will advertise a case for its regular May 18th hearing at which time you shall be required to show cause why the subject well should not be ordered plugged.

Very truly yours,

W. B. Macey Secretary-Director

WBM:jh

cc: American Employees Insurance Company Echlin-Irvin-Crowell 355 Myrtle Avenue El Paso, Texas

P. O. BOX 871

SANTA FE. NEW MEXICO

May 21, 1956

Employers Group Insurance Companies
Albuquerque Claim Department
2508 Central, SE
Albuquerque, New Mexico

Attention: Mr. W. E. Welch

Re: Sweetman and Aday
D'Spain No. 1
Torrance County, N. M.

Gentlemen:

Reference is made to your letter of May 18, 1956, whereast you inquire about the feasibility of plugging the above-captioned well er transferring it to the land-owner for his use as a water-well.

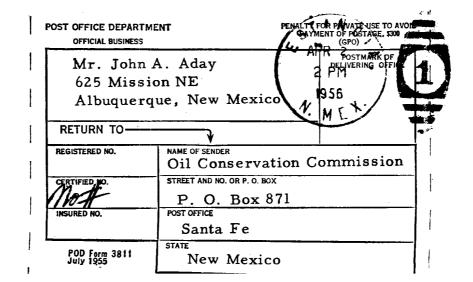
We are extremely anxious to conclude this matter at the earliest possible date. It was scheduled for hearing on May 16 but was continued to the June 14 hearing in the hopes that the differences between operators and land-owner might be resolved at a meeting scheduled to be held in this office at 10 o'clock a.m., May 24, 1956. Whether a well is plugged or converted to a water-well is immaterial to us, so long as the job is properly done. We feel that the interests of both parties must be protected, and that we will probably have to take cognizance of a clause in this particular lease contract which requires that if a dry hole be drilled by the operators, it shall revert to the land-owner as a water-well.

We shall advise you as soon as something definite has been worked out in this case, and the bond can be released.

Very truly yours,

D. S. Nutter
Petroleum Engineer

DSN:jh



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The EMPLOYERS' GROUP Insurance Companies

The EMPLOYERS' Liability Assurance Corporation, Ltd.

The EMPLOYERS' Fire Insurance Company

AMERICAN EMPLOYERS' Insurance Company

ALBUQUERQUE CLAIM DEPARTMENT 2508 CENTRAL, S. E. ALBUQUERQUE, NEW MEXICO

13/4 121 NIPO: 1000

May 18,

New Mexico Oil Conservation Commission State Capitol Building Santa Fe, New Mexico

Attention: Mr. Dan Nutter

Re: Sweetman and Aday, D'Spain No. 1
NE/4 NW/4 Sec. 12, T-6N, R-6E
Torrance County, New Mexico

Dear Mr. Nutter:

We are at the present time attempting to conclude the handling of a one-well drilling bond on the above captioned well since you have now placed our company as the surety on notice.

The correspondence in our file indicates that the above captioned principals are having considerable difficulty with the surface owner at this particular well site even though Mr. Sweetman and Mr. Aday are desirous of plugging this well. There seems to be some misunderstanding as to whether or not this well should be left as a water well for the surface owner to use and we are wondering if your most recent inspections indicate whether or not this well can be left as a water well or whether it will have to be plugged. If the well has to be plugged, will you please advise us what procedure we will have to take in order to bypass the surface owner to get on the land.

Very truly yours,

W. E. Welch, Adjuster

WEW:cc

MAIN OF Planters Mutual Insurance Company (INCORPORATED FEBRUARY 15, 1930)

1853 IMY 24 All 8:16

GEORGE A. SWEETMAN, General Manager

Branch Office Box 162

ESTANCIA, NEW MEXICO

May 22-56

New Mexico State Oil Com. State Caritol SantaFe. N.M.

Gentlemen:

After thinking the matter over I can see no good of me creating more expense and spending valuable time running back and forth, therefor I do not bhink I will be there Thursday.

All I ask for is the equipmentborrowed and the things that is rightfuly mine, the privelage to recover what casing posible or if D&Spain wishes to pull the casing for half as he suggested once that will be O.K. withme starting around 400ft. if it will not pull there try 350 which is only 28 ft below where the main water was

One third of the casing on the ground is rightfuly mine, and I do not wish to relinquish any thing I have an interest in even to junk.

I am willing to pull casing and plug at bottom if neccesary and at top acording to law if the land owner does not have a writen permit from the oil comission.

I even owne a third interest in the new cable bought just before we posponed operation, but might consider releasing that if I got what else belongs to me otherwise I would rather use the money and time runing back and forth for an att. and go at it right.

A heavy shot at the depth specified with a strain on the casing I feel sure will release the casing, I am quit sure, and the above is all wish to consider and the other interests can consider the above and act acordingly,

Yours truly

Geo.A.Sweetman

Shington of the sound of the state of the second of the se

about nov. 10, 1954

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Memo From

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POST OFFICE DEPARTMENT OFFICIAL BUSINESS Cecil J. D'Spain Tajique, New Mexico RETURN TO REGISTERED NO. NAME OF SENDER Oil Conservation Commission 548324 Box 871 INSURED NO. POST OFFICE Santa Fe, New Mexico

POD Form 3811 July 1955

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P. O. BOX 871

SANTA FE, NEW MEXICO

July 12, 1956

Mr. Cecil J. D'Spain Tajique, New Mexico

Dear Sir:

We enclose a copy of Order R-844 issued July 12, 1956, by the Oil Conservation Commission in Case 1069, which was heard on June 14th.

Very truly yours,

A. L. Porter, Jr. Secretary - Director

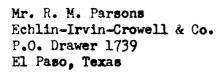
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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

P. O. BOX 871

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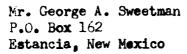
A. L. Porter, Jr. Secretary - Director

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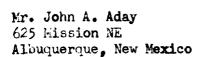
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A. L. Porter, Jr. Secretary - Director

brp

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

April 5, 1955

Mr. George A. Sweetman P. O. Box 162 Estancia, New Mexico

45 days Tempard May 15

Re: Sweetman and Aday Drilling Associates 1 Cecil D'Spain NEWW Sec. 12-6%-6E TORRANCE COUNTY

Dear Sir:

I acknowledge receipt of your letter of March 27 wherein you request an extension of time on your temporary abandonment of the captioned well.

Said extension is hereby granted for a period of forty five days from April 1, 1955)on condition that this shall be the final extension of time. If at the end of this period the well is not being worked or properly plugged and abandoned, we shall have to order the well plugged.

Please notify us of your plans and progress.

Very truly yours

E/16

EUGFED A. CHAVEZ

011 & Gas Inspector Dist. #4

EAG/ga

P. O. BOX 871

SANTA FE, NEW MEXICO

net 3 A

December 28, 1954

1954 and January 31,55

Mr. George A. Sweetman Estancia, New Mexico

> Re: Sweetman and Aday Drlg. Assoc. #1 D'Spain NE NW Sec. 12-6N-6E Torrance County.

Dear Sir:

Please find enclosed your approved copy of Form C-102, Netice of Intention to Temporarily Abandon, as filed by you for the above captioned well.

You will note that you are now given a period of (ninety days from January 1, 1955.) Should operations be resumed prior to April 1, 1955, you must notify this office of such resumption immediately.

Very traly yours

200

EUGENE A. CHAVEZ
Oil & Gas Inspector District #4

EAC/ga

cc: Mr. William Parnall Mountainair, New Mexico

encl.

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POD Form 3800 July 1955

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, \$300 (GPO) POST OFFICE DEPARTMENT OFFICIAL BUSINESS George A. Sweetman Box 162 Estancia, New Mexico RETURN TO-REGISTERED NO. NAME OF SENDER Oil Conservation Commission CERTIFIED NO. STREET AND NO. OR P. O. BOX 548326 Box 871 POST OFFICE INSURED NO. Santa Fe, New Mexico POD Form 3811 July 1955

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POST OFFICE DEPARTMENT OFFICIAL BUSINESS

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

Mr. John A. Aday
625 Mission NE
Albuquerque, New Mexico

RETURN TO

REGISTERED NO.

CERTIFIED NO.

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INSURED NO.

POST OFFICE

Santa Fe, New Mexico

POD Form 3811
July 1955

POST OFFICE DEPARTMENT OFFICIAL BUSINESS

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