

RECEIPT		Date <u>April 1</u> 19 <u>80</u>	1735
Received From <u>Tamianaco Oil Corp.</u>			
Address <u>Box # 2783</u>			
			Dollars \$ <u>2,000.00</u>
For <u>Attor. Penalties + Interest - settlement of lawsuit</u>			
<u>Acct 1-505.0</u>			
ACCOUNT		HOW PAID	
AMT. OF ACCOUNT		CASH	
AMT. PAID		CHECK	
BALANCE DUE		MONEY ORDER	
		Rev Code <u>614 - 2000</u>	
		By <u>THH</u>	

8K800 Rediform

To..... Ernest P. Silla

..... Oil Conservation Division

From

BILL OLMSTEAD

Chief

Financial Services Bureau

ENERGY AND MINERALS DEPARTMENT

- ☒ For Your Information
- ☐ For Your Approval
- ☒ For Your Files
- ☐ For Your Comment and Return
- ☐ For Your Handling



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

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

MEMORANDUM

TO: ROBERT HILGENDORF,
Deputy Attorney General

FROM: ERNEST L. PADILLA

DATE: APRIL 14, 1980

RE: OIL CONSERVATION COMMISSION v. TAMANACO
CLIENT #: 54001 CASE #: 002 RESP. ATTY: ELP
COURT: RIO ARRIBA DOCKET NO. 12506

STATUS: Tamanaco has made final payment as per stipulated
settlement. No further action is necessary.
Case closed.

ERNEST L. PADILLA

ELP/dr



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

April 1, 1980

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

MEMORANDUM

TO: BILL OLMSTEAD

FROM: ERNEST L. PADILLA
OIL CONSERVATION DIVISION

RE: OCC v. TAMANACO OIL CORPORATION, RIO ARriba COUNTY
CAUSE NO. 12506

Attached is a \$2000.00 check payable to the State of New Mexico. This amount represents the balance due under a stipulated settlement in a lawsuit instituted by the OCC against Tamanaco for rule violations.

Under Article XII, Section 4 of the New Mexico Constitution this penalty is to be distributed to the current school fund. For your convenience and information, Article XII, Section 4 reads as follows:

"All fines and forfeitures collected under general laws; the net proceeds of property that may come to the state by escheat; the rentals of all school lands and other lands granted to the state, the disposition of which is not otherwise provided for by the terms of the grant or by act of congress; and the income derived from the permanent school fund, shall constitute the current school fund of the state. (As amended November 2, 1971.)"

Because your bureau handles financial transactions for the Department, I am submitting the \$2,000.00 Tamanaco check to you and request that you properly deposit it with the State Treasurer.

Please send me a copy of the deposit slip after the deposit has been made. Thanks.

ERNEST L. PADILLA



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

March 18, 1980

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

Tamanaco Oil Corporation
Rt. 5, Box 5466
Albuquerque, New Mexico 87112

Attention: Mr. H. K. Riddle

Re: OCC v. Tamanaco Corporation
Rio Arriba Cause No. 12506

Gentlemen:

It has come to my attention that Tamanaco Oil Corporation signed a stipulation settling all issues in controversy in the above-entitled and numbered cause. A copy of that stipulation is attached hereto for your reference.

Please be advised that this letter constitutes a demand for \$2,000.00 being the unpaid balance of the stipulation. Pursuant to the terms of the stipulation \$1,000.00 was due on July 12, 1979 and another \$1,000.00 was due on January 12, 1980.

Please let me hear from you as soon as possible regarding this matter.

Very truly yours,

ERNEST L. PADILLA
General Counsel

ELP/dr

cc: Lorenzo E. Tapia, Esq.

Mr Padilla —

Sorry, I forgot about this

Law Offices
Tapia & Campos

LORENZO E. TAPIA
MIGUEL P. CAMPOS

ASSOCIATE IN SANTA FE
CHARLES S. SOLOMON

Suite 1805-Western Bank Building - 505 Marquette, N.W.
Albuquerque, New Mexico 87102

505 243-2869

January 12, 1979

Ms. Lynn Teschendorf
General Counsel
Oil Conservation Commission
P.O. Box 2088
Santa Fe, NM 87501

RE: Oil Conservation Commission
vs. Tamanaco Oil Corporation
Cause No. 12506


Dear Ms. Teschendorf:

Enclosed herewith is the Stipulation and Order
in the above cause. If it meets with your approval,
please have it filed, and send me endorsed copies.

Thank you.

Very truly yours,

TAPIA & CAMPOS


Lorenzo E. Tapia
Attorney at Law

LET:jaf

Enclosure



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

January 3, 1979

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

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

Mr. Lorenzo E. Tapia
Attorney at Law
Suite 1805
Western Bank Building
505 Marquette N.W.
Albuquerque, New Mexico 87101

Re: New Mexico Oil Conservation
Commission v. Tamanaco
Oil Corporation

Dear Mr. Tapia:

Enclosed are copies of the correspondence you
desired from my case file in this matter. Please
let me know if you require anything further.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/dr

enc.



DEPOSITED WITH
STATE TREASURER
OF NEW MEXICO

State Treasurer for Oil Cons. Div.

AGENCY

Current School Fund

DATE

January 2, 1979

COIN		
CURRENCY		
CHECKS	Tamanaco Oil Corp - #1873	2,000 00
TOTAL		2,000 00
CODE CLASSIFICATION	AMOUNT	
04-335.0 80613.0	2,000.00	

FOR STATE TREASURER'S USE ONLY

Oil Conservation Comm. v. Tamanaco
Oil Corp. Rio Arriba County #12506

OFFICIAL RECEIPT ONLY WHEN VALIDATED. SUBMIT DEPOSIT SLIP IN QUADRUPLICATE
WITH YOUR DEPOSIT. INCLUDE AN ADDING MACHINE TAPE LISTING CHECK AMOUNTS.

Edward M. Murphy
STATE TREASURER



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

August 14, 1978

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

Mr. Robert E. Huffman
Surety Claims
CNA Insurance
CNA Plaza
Chicago, Illinois 60685

Re: \$10,000 Blanket Bond No. 27168
Tamanaco Oil Corporation,
Principal, Continental Casualty
Company, Surety
Your Reference: 96-103502-00

Dear Mr. Huffman:

Since I have not heard from you since your letter of November 28, 1977, I must assume that your company is taking no action concerning our claim. Therefore, I will be issuing invitations to bid shortly and will hire a contractor to plug the wells in question. After performance of this work has been completed, I will seek reimbursement from your company under the terms of the bond.

Very truly yours,

(Ms.) LYNN TESCHENDORF
General Counsel

LT/dr

cc: Al Kendrick



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

August 14, 1978

NICK FRANKLIN
SECRETARY

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

Mr. Terry Stembridge
U. S. Resources, Inc.
4560 Beltline Road
Suite 300
Dallas, Texas 75240

Re: Tamanaco Oil Corp. wells

Dear Mr. Stembridge:

Mr. J. W. Neal, Attorney for Dr. Maddox, has not responded to my letters asking for written permission to enter the El Poso Ranch to plug the two wells, except to say that U. S. Resources does have that right. Therefore, I am prepared to hire a contractor to perform the work if you can assure me that a representative of your company can be on location at the time. I feel this would be the most expeditious solution to the matter.

Please let me know if this is acceptable to you.

Very truly yours,

(Ms.) LYNN TESCHENDORF
General Counsel

LT/dr

cc: Al Kendrick



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

July 24, 1978

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

Mr. J. W. Neal
Neal & Neal
P. O. Box 278
Hobbs, New Mexico 88240

Re: Oil Conservation Commission vs.
Tamanaco Oil Corp., Rio Arriba
County Cause No. 12506

Dear Mr. Neal:

Thank you for your letter of July 21. However, it is probable that the wells in question will be plugged either by the insurance company for Tamanaco Oil Corporation or by a plugging contractor hired by the Division. Therefore, I would appreciate having a general letter of permission to enter Dr. Maddox's land for the purpose of plugging these wells.

Very truly yours,

(Ms.) LYNN TESCHENDORF
General Counsel

LT/dr

cc: Terry Stembridge

C. MELVIN NEAL (1907-1968)

J. W. NEAL

JERRY A. LEWIS

JAMES P. SAUNDERS, JR.

WILLIAM G. W. SHOEBRIDGE

W. A. MCBEE

NEAL & NEAL

LAWYERS

NEAL BUILDING • P. O. BOX 278

HOBBS, NEW MEXICO

88240

TELEPHONE

AREA 505 397-3614

July 21, 1978

Energy and Minerals Department
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention: Lynn Teschendorf

Re: Oil Conservation Commission vs.
Tamanaco Oil Corporation

Gentlemen:

We acknowledge receipt of your letter dated July 19, 1978 in regard to the above matter.

As you know we have entered into an agreement with U. S. Resources where they will be responsible for plugging the wells in question. Since they have apparently made a determination they do not want to re-enter the wells, we have no objection to their re-entry onto the property for that purpose and, as a matter of fact, they have that right under the agreement we have made.

Very truly yours

J. W. Neal

JWN/b



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

July 19, 1978

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

Mr. J. W. Neal
Neal & Neal
P. O. Box 278
Hobbs, New Mexico 88240

Re: Oil Conservation Commission v.
Tamanaco Oil Corp., Rio
Arriba County Cause No. 12506

Dear Mr. Neal:

Apparently, U. S. Resources has determined that the two Tamanaco wells on Dr. Maddox's property are uneconomical and should be plugged. In making arrangements for the performance of this work, we would appreciate having a letter of permission from Dr. Maddox in order that entry can be made on his land for this purpose.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/dr

cc: Terry Stembridge
Al Kendrick

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 22, 1978

The Honorable Bruce E. Kaufman
District Judge, Div. IV
P. O. Box 2268
Santa Fe, New Mexico 87501

Re: Oil Conservation Commission v.
Tamanaco Oil Corp., Rio
Arriba County Cause No.
12506

Dear Judge Kaufman:

When I visited with you before Christmas concerning this case, you indicated you would be setting it on your summer docket. I've called your secretary a number of times, but she has informed me that it has not been set due to your heavy caseload.

Discovery has been completed, as requested by your letter of January 4, 1978. I merely wish to inform you that this case is ready to be scheduled for hearing, whenever your heavy schedule permits it.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/dr

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

March 28, 1978

Mr. J. W. Neal
Neal & Neal
P. O. Box 278
Hobbs, New Mexico 88240

Dear Mr. Neal:

Thank you for sending a copy of the agreement entered into between Dr. Maddox and U. S. Resources. We appreciate your including the Oil Conservation Commission in Paragraph 4 of the agreement, and are in hopes that soon the wells will be taken care of to everyone's mutual satisfaction.

Very truly yours,

(Ms.) LYNN TESCHENDORF
General Counsel

LT/dr



RECEIVED

FEB 23 1978

Oil Conservation Commission

Feb. 23, 1978

Mr Lynn Teschendorf
Assistant District Attorney
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

I have just returned to Albuquerque to receive from Tapia & Campos, Attorneys, the Interrogatories you requested in connection with the Oil Conservation Comm. vs. Tamanaco.

I will answer your questions by the numbers.

1. Yes, as above letter head.
2. Yes.
3. We obtained the lease in about 1961 covering most all of the El Paso Ranch, several thousand acres. We drilled 7 wells including the ones referred to in your case. we paid rentals only once and allowed the lease to expire, in about 1963. All information is from memory.
4. We drilled only the one well on ~~an~~ each of the two locations referred to in your case, Nos. 11 and 27. We did drill another about half way between these two, which was plugged in accordance with the State's regulations and with their approval.
5. Your inquiry states properly the nos and descriptions. 5 $\frac{1}{2}$ " casing was set in both wells, in #11 to about 900' and tested to produce about one-half million feet of gas. It was shut in with a locked valve, and remains so. 5 $\frac{1}{2}$ " was set to about 1400' in the #27 well. This well was pumped three different times for one to two weeks. It makes about 3 to 4 bbls per day, high gravity oil with no water and sufficient gas to run the pump engine. The last time it was pumped in 1974 or 75 for 3 weeks, off and on and half filled a 50 bbl. tank truck. Before the truck was moved out and the pump equipment removed, the oil was either stolen or drained from the truck. The tubing, rods and down hole equipment remains ready to operate. To answer other numbers following; we had in the beginning, two regular 200 bbl. tanks on this location, had pumped one of them over half full, perhaps more, of oil. Shortly after we stopped pumping in about 1962 or 3 the oil and tanks were stolen, including the pumping unit and all oil pipe lines to the tanks.

#2

Mr. Lynn Teschendorf

8. I presume I have received all notices sent to Mr. Tapia but I cannot remember specifically.
10. Each year two or three times, since 1973 I have called every well plugger I can find out about to plug these wells. I have Malcom Kitchens of Farmington continuously assisting me to find a plugger as he knows them all. None have ever agreed to do it because they are too busy plugging holes near to them, for the casing in exchange.
- ~~XXXXXXXXXX~~ In 1974 or 75 I contracted with Grim Drilling Co. of Belen to go in, plug this well and to move to another location nearby and drill another. We at that time obtained a new contract for lease from the land owner, Dr. Maddox. Grim never performed.
15. There is surface water near the surface in this area. We cemented surface casing to about 60', shut off the surface water and the hole drilled dry to casing point. No water has ever shown during pumping of this well. I believe all of the other numbers have been answered.


Grim Drilling Co. promises from year to year to move in and drill other wells, so I have given up on them. We now have acquired a rig, which is running in Kentucky. As soon as we complete operation there, we plan to move it back here and drill some more wells on the El Poso Ranch, near and around the #27 well.

We left the #11 as a gas well because Bob Katson of Albuquerque was building some houses near-by, and Dr. Maddox wanted the gas for his ranch houses and Katsons houses. Without Dr. Maddox approval, I would not like to plug the gas well, unless upon examination (opening the locked Valve) we find the gas we had in the beginning is not there now. We would make this examination and plug the well when we move our rig there to drill other wells.

Most of the files and logs on these operations were lost in transit when we moved our offices to Albuquerque. I have obtained some electric logs from other companies but most information is from memory. There are no formation tops of importance since Mancos shale is on the surface and all the way down to the producing zone, which is from fractures in the Mancos.

If Grim Drilling does not move in to drill for us this summer, as they again promise, we will move our rig in this summer if we finish in Kentucky, or next year.

Yours very truly,


H. K. Riddle, President

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 27, 1978

Mr. Lorenzo E. Tapia
Suite 1805 Western Bank Building
505 Marquette, N. W.
Albuquerque, New Mexico 87101

Re: New Mexico Oil Conservation
Commission vs. Tamanaco Oil
Corporation, Rio Arriba
County Cause No. 12506

Dear Mr. Tapia:

Enclosed is a Response to Motion I have filed in
the above-captioned cause.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/dr

enc.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 14, 1978

. Lorenzo E. Tapia
Suite 1805 Western Bank Building
505 Marquette, N. W.
Albuquerque, New Mexico 87101

Re: New Mexico Oil Conservation
Commission vs. Tamanaco Oil
Corporation, Rio Arriba County
Cause No. 12506

Dear Mr. Tapia:

Enclosed is a Motion I have filed in the above-
captioned cause

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/og
Enc.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 16, 1978

Clerk of the District Court
for Rio Arriba County
Rio Arriba County Court House
Santa Fe, New Mexico 87501

Re: New Mexico Oil Conservation
Commission vs. Tamaraco
Oil Corporation, Cause
No. 12506

Dear Madam:

Enclosed please find the Interrogatories in the
above-captioned cause, which I would appreciate your
filing.

Thank you for your assistance.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/dr
enc.

OIL CONSERVATION COMMISSION,

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 16, 1978

Mr. Lorenzo E. Tapia
Suite 1305 Western Bank Building
505 Marquette, N.W.
Albuquerque, New Mexico 87101

Re: New Mexico Oil Conservation
Commission vs. Tamaraco Oil
Corporation, Cause No.
12506

Dear Mr. Tapia:

Enclosed please find the Interrogatories in the
above-captioned cause.

Very truly yours,

(Ms.) LYNN TESCHENDORF
General Counsel

LT/dr
enc.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 6, 1978

Mr. Lorenzo Tapia
Attorney at Law
1805 Western Bank Building
505 Marquette, N.W.
Albuquerque, New Mexico 87102

Re: Oil Conservation Commission
vs. Tamaraco Oil Corporation
Cause No. 12506

Dear Mr. Tapia:

Enclosed please find a copy of the Order requested
by Judge Kaufman. The deadline for filing is January 13,
so I would appreciate your consideration of this matter
as soon as possible.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/Jr
enc.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 6, 1978

The Honorable Bruce E. Kaufman
District Judge
Division IV
P. O. Box 2268
Santa Fe, New Mexico 87501

Re: Oil Conservation Commission
vs. Tamaraco Oil Corporation,
Cause No. 12506

Dear Judge Kaufman:

Attached is a copy of the Order I have forwarded to Mr. Tapia, opposing counsel, in accordance with your letter of January 4, 1978. Mr. Tapia has informed me that he intends to object to the Order, and will enclose his objections with the original Order. Because of the mails, the Order may thus not be timely filed. I apologize for any delays.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/dr
enc.



State of New Mexico
First Judicial District

CHAMBERS OF
BRUCE E. KAUFMAN
DISTRICT JUDGE
DIVISION IV

January 4, 1978

POST OFFICE BOX 2268
SANTA FE, N. M. 87501
AREA CODE 505
TELEPHONE 827-2101

EAPIA AND CAMPOS
Law Office
1305 Western Bank Building
505 Marquette, N.W.
Albuquerque, New Mexico 87102

Ms. Lynn Teschendorf
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: The Oil Conservation
Commission v. Tamanaco
Oil Corporation, Cause
No. 12506

Gentleman and Ms. Teschendorf:

The court has reviewed the motions filed in this cause in an annual review of litigation pending and feels required to rule without necessity of further hearing on the substance of the motions as filed.

When this cause was assumed from Division II a new calendar was constructed and because of the press of emergency matters certain matters moved for hearing were not able to be heard on their merits prior to expiration of certain times prescribed

J. Kaufman

TO

DATE

SUBJECT

[Signature]

Page 2

To: Tapia and Campos
Ms. Lynn Teschendorf
January 4, 1978

for such hearings.

The inability to get the matter to hearing as I view this cause as strictly that of the courts and neither that of the plaintiff or defendant. It appears further that the discovery timely sought by the petitioner has not been duly afforded and therefore the court will order that all discovery herein be completed within thirty (30) days from this date and the Motion to Dismiss based on the timeliness of the state's proceeding will be pursuant to Rule 41(E) will at this time be denied.

The counsel for the plaintiff will be directed to prepare an Order and submit it to counsel for review reflecting the above findings then submit it to the court within seven (7) days from the receipt of this letter.

Very truly yours,

~~Judge~~

BRUCE E. KAUFMAN
DISTRICT JUDGE

BEK:maf

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

December 15, 1977

Mr. J. W. Neal
P. O. Box 278
Hobbs, New Mexico 88240

Re: Dr. Maddox
Pound~~h~~ Ranch "B" and
El Poso Ranch "N" Wells

Dear Mr. Neal:

On November 3, 1977, I called you concerning the above-referenced wells, and you informed me that a lease was currently being negotiated with a Dallas company. Since that time, I have received no further information from you.

You have asserted that Dr. Maddox is now sole owner of the wells in question and does not want them plugged. If so, then state law requires that he obtain a bond. See Rule 101, Oil Conservation Commission rules and regulations; Sections 65-3-11 and 65-3-11.2, N.M.S.A., 1953 Comp. I would appreciate hearing from you by January 15, 1978, so that we can discuss this matter. Otherwise, I must assume that you decline to bond the wells, and that you consider yourself subject to suit.

Very truly yours,

(Ms.) LYNN TESCHENDORF
General Counsel

LT/dr



CNA Plaza
Chicago, Illinois 60685

November 28, 1977

Oil Conservation Commission
State of New Mexico
Box - 2088
Santa Fe, NM 87501

ATTN: Lynn Teschendorf
General Counsel

RE: 96-103502
Tamanaco Oil Corporation

Dear Mr. Teschendorf:

I have your letter of 11-4-77. I have written to the attorney for the landowner, J.W. Neal of Hobbs.

I have also sent a letter to attorney Tapia who represents Mr. Riddle.

Sincerely,

Robert E. Huffman, Analyst
Fidelity/Surety Claims

REH:fp

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 4, 1977

Mr. Robert E. Huffman
Surety Claims Department
CNA Insurance
233 South Wabash Avenue
Chicago, Illinois 60604

Re: 96-103502-00 Bond 2768
Tamanaco Oil Corporation,
Principal, Continental Casualty
Company, Surety

Dear Mr. Huffman:

As past correspondence will reflect, the Oil Conservation Commission has made demand on your company to fulfill its obligations under the above-referenced bond by plugging the El Paso Ranch "A" Well No. 11 located in the SE/4 SW/4 of Section 11, and the Pound Ranch "B" Well No. 27 located in the NW/4 SE/4 of Section 27, both in Township 28 North, Range 1 East, Rio Arriba County, New Mexico, in accordance with the terms of its Orders Nos. R-4575 and R-4576. Plugging operations were to have been completed by August 1, 1973. This has not been accomplished by either the principal or the surety.

We hereby again make demand upon your company to plug the above-described wells in accordance with a Commission-approved plugging program. It is necessary that Mr. Al Kendrick, District Supervisor in Aztec, be contacted on or before November 30, 1977, concerning this matter. If you are unable or unwilling to do so, then the face amount of the bond, being the sum of \$10,000, is forfeit, and must be deposited in the State Treasury as provided in Section 65-3-11.2, N.M.S.A. 1953 Compilation. You may forward your draft to this office payable to the Oil and Gas Reclamation Fund.

Very truly yours,

(Ms.) LYNN TESCHENDORF
General Counsel

cc: Al Kendrick, District Supervisor
Mr. Vincente Jasso, Deputy Superintendent
of Insurance

ILLEGIBLE

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 8, 1976

Mr. Lorenzo E. Tapia
Suite 1805 Western Bank Building
505 Marquette, N.W.
Albuquerque, New Mexico 87101

Re: New Mexico Oil Conservation
Commission v. Tamanaco Oil
Corporation, Rio Arriba
County Cause No. 12506

Dear Mr. Tapia:

According to Oil Conservation Commission files, this case is still open and pending. If possible, I would like to take steps to get this matter concluded. Apparently, Mr. Bob Grim has abandoned his attempts to either plug the subject wells or take over the lease. Therefore, Tamanaco and its surety are still responsible for compliance with the Commission's Order No. R-4575. Should Dr. Maddox still refuse entry on his land for plugging these wells, you might advise him of the fact that a bill entitled the Oil and Gas Reclamation Act will be introduced in this session of the legislature that would allow the Commission itself to enter and accomplish the plugging.

I would appreciate your advice on the current status of this case from your client's viewpoint.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/dr

cc: Mr. Robert E. Huffman
CNA Insurance

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 1, 1976

Clerk of the District Court
for Rio Arriba County
Rio Arriba County Court House
Santa Fe, New Mexico 87501

Re: New Mexico Oil Conservation
Commission v. Tamaraco Oil
Corporation

Dear Madam:

I am submitting the enclosed Entry of Appearance
for filing in the above-captioned cause.

Thank you for your assistance.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/dr

cc: Lorenzo Tapia

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO

STATE GEOLOGIST
EMERY C. ARNOLD

October 1, 1976

Susie M. Montoya
Clerk of the District
Court
Rio Arriba County Court House
Santa Fe, New Mexico 87501

Dear Ms. Montoya:

Please advise me as to the status of Case No.
12506, Oil Conservation Commission v. Tamanaco Oil
Corp. Your assistance in this matter is greatly
appreciated.

Very truly yours,

A handwritten signature in cursive script, reading "Lynn Teschendorf", written over the typed name.

LYNN TESCHENDORF
Legal Division

LT/dr

October 5, 1976

Case still pending. Last Pleading filed was Request
for Admissions on May, 1974.

Mrs. Ramona Romero

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

October 1, 1976

Susie M. Montoya
Clerk of the District
Court
Rio Arriba County Court House
Santa Fe, New Mexico 87501

Dear Ms. Montoya:

Please advise me as to the status of Case No.
12506, Oil Conservation Commission v. Tamanaco Oil
Corp. Your assistance in this matter is greatly
appreciated.

Very truly yours,

LYNN TESCHENDORF
Legal Division

LT/dr

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

March 24, 1975

Lorenzo E. Tapia, Esq.
Suite 1805 National Building
505 Marquette, N.W.
Albuquerque, New Mexico 87101

Re: Oil Conservation Commission v.
Tamanaco Oil Corporation,
Rio Arriba County Cause
No. 12506

Dear Mr. Tapia:

In response to your letter of March 18 concerning the above-captioned cause, you should be advised that this matter has not been resolved. As you are aware, there was no response to the Commission's Request for Admission of May 30, 1974. Based on this and other information we have compiled, it is the Commission's intention to pursue its cause of action against Tamanaco in the District Court of Rio Arriba County seeking not only compliance with Commission rules and regulations but also an appropriate fine.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/dr

LORENZO E. TAPIA
MIGUEL P. CAMPOS
—
ASSOCIATE IN SANTA FE
CHARLES S. SOLOMON

LAW OFFICES OF
TAPIA & CAMPOS
SUITE 1805 NATIONAL BUILDING
505 MARQUETTE, N.W.
ALBUQUERQUE, NEW MEXICO 87101

TELEPHONE 243-2869
AREA CODE 505

March 18, 1975

Mr. William F. Carr
Special Assistant Attorney General
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Oil Conservation Comm. v.
Tamanaco Oil Corp., Rio Arriba
County Cause No. 12506


Dear Mr. Carr:

With regard to the above cause, it is my understanding that the issues involving the above cause have been satisfactorily resolved and that the oil controversy has been settled to the satisfaction of the Oil Conservation Commission.

If my information is correct, please advise me whether the Oil Conservation Commission has been fully satisfied and if it has then perhaps you might prepare the proper motion and order of dismissal, as I am sure the District Court would want to remove the case from their docket.

Sincerely,

TAPIA & CAMPOS


Lorenzo E. Tapia

LET:lw



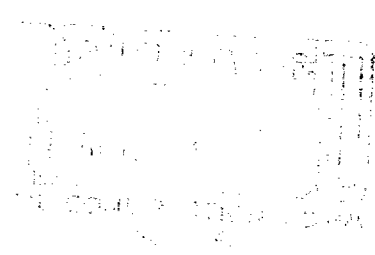
insurance

100 SOUTH WABASH AVENUE • CHICAGO, ILLINOIS 60604

LIABILITY, PROPERTY, SURETY CLAIM DEPARTMENT
AREA CODE 312 • 822-5000

August 6, 1974

William F. Carr, Esquire
General Counsel
Oil Conservation Commission
State of New Mexico
P O Box 2088
Santa Fe, NM 87501



96-103502-00 Bond 2768
Tamanaco Oil Corporation-to-
State of New Mexico
Well Plugging Bond

Dear Mr. Carr:

As past correspondence will reflect, the surety has expressed the willingness to plug the wells which are the source of the controversy. This willingness extended up through May of 1974. At that time, I did receive information from you giving me the name of two well plugging companies, one in Farmington and one in Aztec, New Mexico, to actually complete the work.

It was my intention to hire one of these two companies to actually plug the wells in conformance with the State's request.

Before I could do this, however, I received correspondence from Attorney J. W. Neal, who represents the landowner, Doctor Maddox. It was made known to the Surety that the property was leased to a Mr. Bob Grim, further that it was the intention of the landowner to have the wells tested and plugged should the wells prove unproductive. At that time also, Attorney Neal was questioning the jurisdiction of the Oil Conservation Commission in taking action with regard to the wells on Doctor Maddox's property.

In subsequent correspondence to Mr. Neal from your office, it appeared that a difference of opinion existed between Attorney Neal's interpretation as to the merits of his client's position versus that of the Oil Conservation Commission. In fact, in later correspondence from Attorney Neal, he indicated to the Surety that any attempt by the Surety to have someone enter upon the property of Doctor Maddox and plug the wells would be regarded as a trespasser. The Surety does not want to find itself involved in a lawsuit with Doctor Maddox for trespassing on his property.

Would the Oil Commission accept a bond naming Mr. Grim as Principal for the wells involved in the current problem providing it meets the form requirements for the State? It would appear that if such a bond were issued to the Grim Company, that they would then check the well for production and cap it if it should prove unproductive. This would appear to satisfy the desire of the State that the well was either producing and not abandoned or that it was properly capped so as to prevent the possibility of any waste occurring.



Mr. William F. Carr

2

August 6, 1974

I would appreciate your further thoughts concerning this matter.

Sincerely,

A handwritten signature in cursive script, reading "Robert E. Huffman". The signature is written in dark ink and is positioned above the typed name.

Robert E. Huffman, Supervisor
Surety Claims

gsd

C. MELVIN NEAL (1907-1988)
J. W. NEAL
C. FINCHER NEAL
JERRY A. LEWIS

NEAL & NEAL
LAWYERS
NEAL BUILDING - P. O. BOX 278
HOBBS, NEW MEXICO
88240

TELEPHONE
AREA 505 393-5171

July 19, 1974

Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention: MR. William F. Carr

Re: 96-103502-00 Bond 27168
Tamanaco Oil Corporation to
State of New Mexico, Well
Plugging Bond

Gentlemen:

I acknowledge receipt of a copy of your letter to Mr. Huffman of July 18, 1974 together with your letter previously forwarded to me which I have not had the opportunity to answer as of this date.

As I have previously advised you, my client is not bound by any Oil Conservation Commission order concerning the plugging of the wells located upon my client's property as the lease expired prior in time to the hearing which you held on June 20, 1973. It has been my position all the time that the present hole and casing and other matters situated therein were abandoned when the lease terminated and, therefore, owned by the mineral owner and the surface owner. At the present time there is a lease in existence which requires a testing or plugging of the wells.

It is my understanding Mr. Grim is in the process of obtaining a plugging bond to conform with the Oil Conservation Commission regulations. Again, I reiterate that neither the Oil Conservation Commission nor the insurance company are authorized to enter upon private lands and plug the wells in question as they are not subject to the jurisdiction of the Oil Conservation Commission and any re-entry will be treated as a trespass. As I previously have written you, these wells will be plugged or tested in the very near future.

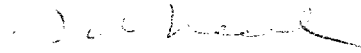
I appreciate your past actions but I call your attention to the fact that Dr. Maddox was not made aware of any of your actions before the Oil Conservation Commission nor has he made any representations to the Oil Conservation Commission concerning your problem with Tamanaco.

NEAL & NEAL

Page -2-

I will be in Santa Fe next week and contact you at that time concerning this matter.

Very truly yours



J. W. Neal

JWN/b

cc: Mr. Robert E. Huffman
CNA Insurance
310 South Michigan Avenue
Chicago, Illinois 60604

cc: Mr. Ralph Apodaca
Superintendent of Insurance
Santa Fe, New Mexico 87501

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 18, 1974

C
O
P
Y
Mr. Robert E. Huffman
Surety Claim Department
CNA Insurance
310 South Michigan Avenue
Chicago, Illinois 60604

Re: 96-103502-00 Bond 27168
Tamanaco Oil Corporation to
State of New Mexico, Well
Plugging Bond

Dear Mr. Huffman:

I trust you have received a copy of my July 9, 1974, letter to Mr. Neal concerning the Tamanaco wells. I believe this letter answers the question raised by you in your letter of July 8, 1974.

Although I understand your concern about matters like the productive capacity of these wells, it is my opinion that these are not proper matters for you to consider in this situation. The facts I consider important are these:

1. Tamanaco Oil Corp. obtained a plugging bond from CNA Insurance.
2. The bond runs to the New Mexico Oil Conservation Commission to assure that the wells covered by the bond will be plugged and abandoned in accordance with Commission Rules and Regulations.
3. The Oil Conservation Commission held a hearing on June 20, 1973, concerning these wells. CNA and the operator of the well were notified of this hearing but made no appearance.
4. An order was issued which required that the wells covered by the CNA bond be plugged and abandoned.
5. The operator failed to plug the wells.
6. Formal demand was made on the CNA Insurance Company to perform under its bond on September 9, 1973, October 17, 1973 and February 8, 1974.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Mr. Robert E. Huffman

-2-

July 18, 1974

7. The Commission has received repeated assurances from CNA of its intention to perform its obligation under the bond -- but nothing more.
8. At its meeting on Tuesday, July 9, 1974, the Commission determined that this matter should be taken before the New Mexico Superintendent of Insurance.

It appears to me that if the only thing required to keep CNA from performing under one of its bonds is an excuse from a third party concerning the status of the principal, such a bond is of virtually no value to the State of New Mexico.

I trust this letter clarifies the Commission's position on this matter.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/dr

cc: Mr. Ralph Apodaca
Mr. Emery Arnold
Mr. J. W. Neal

C
O
P
Y

July 8, 1974

LIABILITY, PROPERTY, SURETY CLAIM DEPARTMENT
AREA CODE 312 • 822-5000

William F. Carr, Esquire
General Counsel
Oil Conservation Commission
P O Box 2088
Santa Fe, NM 87501

96-103502-00 Bond 27168
Tamanaco Oil Corporation
-to-State of New Mexico
Well-Plugging Bond

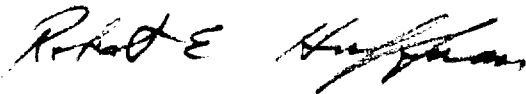
Dear Mr. Carr:

I am in receipt of a copy of a letter directed to your office by Attorney J. W. Neal, who represents Mr. Maddox, the owner of the property containing the two wells subject of the state's claim against Tamanaco Oil Corporation.

Has Mr. Grim submitted a bond to the State so that he may plug the wells concerned if they are not producing? I spoke with Attorney Neal the other day, and he indicated the wells were making between two and three barrels per hour and that there was no water in the wells concerned. He indicated that his client's position was that inasmuch as Tamanaco Oil Corporation's lease had expired approximately five (5) years' ago, that he was within his rights to lease the property to Mr. Grim for the testing or possibly plugging of the wells concerned.

The surety continues to be willing to discharge his obligation under the terms of the bond; however, it would seem futile to have the wells plugged only to have to incur the cost of drilling and completing a new well as a result of the plugging of the existing wells on Mr. Maddox's property. I would appreciate your comments concerning this matter.

Very truly yours,



Robert E. Huffman
Supervisor
Surety Claim Department

gsd

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 9, 1974

J. W. Neal, Esq.
P. O. Box 278
Hobbs, New Mexico 88240

Re: Maddox
Tamanaco Ranch "B" and
El Poso Ranch "N" Wells

Dear Mr. Neal:

Since receiving your letter of June 21, 1974, several things have happened concerning the above-captioned wells which should be called to your attention. On June 26, 1974, a new bond on these wells was filed with the Commission with U. S. Fidelity and Guaranty Company as Surety. At about that time a Form C-103 was filed with the Commission designating a change in ownership of these wells to Mr. Grim.

The new bond designates "Tamanaco Oil Corp. and Grim Drilling Company a corporation organized in the State of Texas..." as principal. This is unacceptable to the Commission since you informed the Commission by letter of May 31, 1974, that the Tamanaco Oil Corporation lease expired several years ago. If Tamanaco is still the owner of the wells, it is bonded by CNA and the Commission has no intention of releasing this bond. If Tamanaco does not own this well, the new bond could not effectively protect the state against having to plug these wells. Furthermore, the Commission does not bond two corporations under one bond. U. S. Fidelity and Guaranty Company is being notified this date that the bond is unacceptable.

Since the new bond is improper, the Commission cannot approve the C-103 filed with our Aztec office changing the well ownership to Mr. Grim. By copy of this letter, I am advising Mr. Emery Arnold, District Supervisor for District III to notify Mr. Grim of this situation.

In addition to the above, the Commission has learned that Mr. Grim has run production tests on these wells without having Commission personnel present to witness such tests. Since there is a Commission order outstanding which requires that these wells be plugged and abandoned, it seems unwise for Grim to ignore the Commission while carrying out this activity. The Commission will not consider such tests valid unless witnessed.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

J. W. Neal, Esq.

-2-

July 9, 1974

Mr. Porter and I will meet with Mr. Ralph Apodaca, Superintendent of Insurance, in the next few days to discuss the problem we have encountered with CNA and I will keep you advised of any developments which result from this meeting.

C
O
P
Y
In regard to your request for patience on the part of the Commission, suffice it to say that we have been patient since problems were first incurred with these wells in May of 1963. To wait any longer would require a total disregard of our statutorily mandated responsibilities.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/dr

cc: Mr. Emery Arnold
CNA Insurance
Attention: Mr. Robert E. Huffman
Lorenzo E. Tapia
Ralph Apodaca

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 9, 1974

C
O
P
Y

U. S. Fidelity & Guaranty Co.
301 San Mateo Blvd., S.E.
Albuquerque, New Mexico 87108

Attention: Mr. Pete Di Gangi

Re: Bond No. 7754-74
Tamanaco Oil Corp. and Grim
Drilling Company

Gentlemen:

We are herewith returning the above-captioned bond
for the following reasons:

1. The Commission cannot bond two corporations under one bond.
2. Grim Drilling Company is not properly registered with the Corporation Commission.
3. Commission Orders No. R-4575 and R-4576 required the plugging of two Tamanaco wells in August 1973. The wells were not plugged and the Commission has made formal demand on the Surety under Tamanaco's present bond to plug said wells.
4. The Commission will not release liability under the present bond on Tamanaco and it would be necessary to do this if the above-captioned bond was accepted.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/dr

cc: Mr. Emery Arnold

STATE OF NEW MEXICO
\$10,000.00 BLANKET PLUGGING AND IDEMNITY BOND

BOND NO. 7756-74
(For Use of Surety Company)

(Note: File with Oil Conservation Commission, Santa Fe, New Mexico.)

KNOW ALL MEN BY THESE PRESENTS:

That Tamamaco Oil Corp. and Grim Drilling Company, (An individual) ~~is~~ a corporation organized in the State of Texas, with its principal office in the city of Albuquerque, State of New Mexico, and authorized to do business in the State of New Mexico), as PRINCIPAL, and United States Fidelity & Guaranty Company, a corporation organized and existing under the laws of the State of Maryland, and authorized to do business in the State of New Mexico with duly appointed resident agent licensed in the State of New Mexico to execute this bond on behalf of the surety company, as SURETY, are held firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Commission of New Mexico pursuant to Section 65-3-11, New Mexico Statutes Annotated, 1953 Compilation, as amended, and for the use and benefit of purchasers holding purchase contract or deed to state lands, with minerals reserved, their grantees or successors in interest, pursuant to Section 7-11-20, New Mexico Statutes Annotated, 1953 Compilation, as amended, in the sum of Ten Thousand (\$10,000.00) Dollars lawful money of the United States, for the payment of which, well and truly to be made, said PRINCIPAL and SURETY hereby bind themselves, their successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO₂) gas leases, or helium gas leases with the State of New Mexico; and

WHEREAS, Said leases were entered into by the said principal, subject to the requirements of the provisions of Section 7-11-20, New Mexico Statutes Annotated, 1953 Compilation, as amended; and

WHEREAS, All or part of the lands embraced in said leases have been sold, with minerals reserved to the State of New Mexico, to various purchasers who hold limited patents from the State of New Mexico or State purchase contracts; and

WHEREAS, The above principal, individually, or in association with one or more other parties, has commenced or may commence the drilling of wells to prospect for and produce oil or gas, or carbon dioxide (CO₂) gas or helium gas, or does own or may acquire, own or operate such wells, or such wells started by others on land embraced in said State oil and gas leases, or carbon dioxide (CO₂) gas leases, or helium gas leases, and on lands patented by the United States of America to private individuals, and on lands otherwise owned by private individuals, the identification and location of said wells being expressly waived by both principal and surety hereto.

NOW, THEREFORE, If the above bounden principal and surety or either of them or their successors or assigns, or any of them, shall plug all of said wells when dry or when abandoned in accordance with the rules, regulations, and orders of the Oil Conservation Commission of New Mexico in such way as to confine the oil, gas, and water in the strata in which they are found, and to prevent them from escaping into other strata;

AND FURTHER, If the above bounden principal and surety or either of them or their successors or assigns, or any of them, upon demand shall make good and sufficient recompense, satisfaction or payment unto the holders of State purchase contracts or holders of patents for State lands, with minerals reserved to the State, their heirs, executors, administrators, successors and assigns, for all damages to the livestock, range, water, crops, or tangible improvements on such lands as may be suffered by such purchasers or their successors in interest, by reason of such development, use or occupancy of such lands by such lessee or principal, or for such damages as a court of competent jurisdiction may determine and fix in any action brought on this bond;

THEN, THEREFORE, This obligation shall be null and void; otherwise and in default of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

PROVIDED, HOWEVER, That thirty (30) days after receipt by the Oil Conservation Commission of New Mexico of written notice of cancellation from the surety, the obligation of the surety hereunder shall terminate as to property or wells acquired, drilled, or started after said thirty (30) day period but shall continue in effect, notwithstanding said notice, as to property or wells theretofore acquired, drilled, or started.

Signed and sealed this 20th day of June, 19 74

ENTERED O.C.C.
6-26-74

TAMANACO OIL CORP.
PRINCIPAL

UNITED STATES FIDELITY & GUARANTY COMPANY
SURETY

Rt. 5, Box 5466, Albuquerque, N. M. 87112 2201 San Pedro, NE, Albq. N. M. 87110
Address Address

By H. K. Riddle Signature President

By Claude Walters Attorney-in Fact, Claude Walters

GRIM DRILLING COMPANY

BY Robert O. Grim Owner

(Note: If corporate surety executes this bond by an attorney-in-fact not in New Mexico, the resident New Mexico agent shall countersign here below.)

(Note: Corporate surety affix corporate seal here.)

(Note: If corporate surety executes this bond by an attorney-in-fact not in New Mexico, the resident New Mexico agent shall countersign here below.)

Countersigned by:

New Mexico Resident Agent

Address

ACKNOWLEDGMENT FORM FOR NATURAL PERSONS

STATE OF New Mexico)
COUNTY OF Bernalillo) ss.

On this 25th day of June, 1974, before me personally appeared Robert O. Grim, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (their) free act and deed.

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

My Commission expires 3-21-76

Notary Public

ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF New Mexico)
COUNTY OF Bernalillo) ss.

On this 20th day of June, 1974, before me personally appeared H. K. Riddle, to me personally known who, being by me duly sworn, did say that he is President of Tamanaco Oil Corp. and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission expires 3-21-76

Notary Public

ACKNOWLEDGMENT FORM FOR CORPORATE SURETY

STATE OF New Mexico)
COUNTY OF Bernalillo) ss.

On this _____ day of _____, 1974, before me appeared Claude Walters, to me personally known, who, being by me duly sworn, did say that he is Attorney-in-fact of United States Fidelity & Guaranty Co. and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission expires 3-21-76

(Note: Corporate surety attach power of attorney.)

Notary Public

APPROVED BY:

APPROVED BY:

OIL CONSERVATION COMMISSION OF NEW MEXICO

Commissioner of Public Lands

By

CERTIFIED COPY

GENERAL POWER OF ATTORNEY

No. 82680

Know all Men by these Presents:

That UNITED STATES FIDELITY AND GUARANTY COMPANY, a corporation organized and existing under the laws of the State of Maryland, and having its principal office at the City of Baltimore, in the State of Maryland, does hereby constitute and appoint

Claude Walters

of the City of Albuquerque, State of New Mexico,
its true and lawful attorney in and for the State of New Mexico

for the following purposes, to wit:

To sign its name as surety to, and to execute, seal and acknowledge any and all bonds, and to respectively do and perform any and all acts and things set forth in the resolution of the Board of Directors of the said UNITED STATES FIDELITY AND GUARANTY COMPANY, a certified copy of which is hereto annexed and made a part of this Power of Attorney; and the said UNITED STATES FIDELITY AND GUARANTY COMPANY, through us, its Board of Directors, hereby ratifies and confirms all and whatsoever the said

Claude Walters

may lawfully do in the premises by virtue of these presents.

In Witness Whereof, the said UNITED STATES FIDELITY AND GUARANTY COMPANY has caused this instrument to be sealed with its corporate seal, duly attested by the signatures of its Vice-President and Assistant Secretary, this 24th day of

March

, A. D. 19 72

UNITED STATES FIDELITY AND GUARANTY COMPANY.

(Signed)

By Charles B. Watson

Vice-President.

(SEAL)

(Signed)

R. H. Bland, Jr.

Assistant Secretary.

STATE OF MARYLAND,
BALTIMORE CITY,

ss:

On this 24th day of March, A. D. 19 72, before me personally came

Charles B. Watson, Vice-President of the UNITED STATES FIDELITY AND GUARANTY COMPANY and R. H. Bland, Jr., Assistant Secretary of said Company, with both of

whom I am personally acquainted, who being by me severally duly sworn, said that they resided in the City of Baltimore, Maryland; that they, the said Charles B. Watson and R. H. Bland, Jr. were respectively the Vice-President and the Assistant Secretary of the said UNITED STATES FIDELITY AND GUARANTY COMPANY, the corporation described in and which executed the foregoing Power of Attorney; that they each knew the seal of said corporation; that the seal affixed to said Power of Attorney was such corporate seal, that it was so fixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order as Vice-President and Assistant Secretary, respectively, of the Company.

My commission expires the first day in July, A. D. 19 74....

(SEAL)

(Signed)

Harriett M. Little

Notary Public.

STATE OF MARYLAND
BALTIMORE CITY,

Sct.

I, Robert H. Bouse, Clerk of the Superior Court of Baltimore City, which Court is a Court of Record, and has a seal, do hereby certify that Harriett M. Little, Esquire, before whom the annexed affidavits were made, and who has thereto subscribed his name, was at the time of so doing a Notary Public of the State of Maryland, in and for the City of Baltimore, duly commissioned and sworn and authorized by law to administer oaths and take acknowledgments, or proof of deeds to be recorded therein. I further certify that I am acquainted with the handwriting of the said Notary, and verily believe the signature to be his genuine signature.

In Testimony Whereof, I hereto set my hand and affix the seal of the Superior Court of Baltimore City, the same being a Court of Record, this 24th day of March, A. D. 19 72

(SEAL)

(Signed)

Robert H. Bouse

Clerk of the Superior Court of Baltimore City.

COPY OF RESOLUTION

That Whereas, it is necessary for the effectual transaction of business that this Company appoint agents and attorneys with power and authority to act for it and in its name in States other than Maryland, and in the Territories of the United States and in the Provinces of the Dominion of Canada and in the Colony of Newfoundland.

Therefore, be it Resolved, that this Company do, and it hereby does, authorize and empower its President or either of its Vice-Presidents in conjunction with its Secretary or one of its Assistant Secretaries, under its corporate seal, to appoint any person or persons as attorney or attorneys-in-fact, or agent or agents of said Company, in its name and as its act, to execute and deliver any and all contracts guaranteeing the fidelity of persons holding positions of public or private trust, guaranteeing the performances of contracts other than insurance policies and executing or guaranteeing bonds and undertakings, required or permitted in all actions or proceedings, or by law allowed, and

Also, in its name and as its attorney or attorneys-in-fact, or agent or agents to execute and guarantee the conditions of any and all bonds, recognizances, obligations, stipulations, undertakings or anything in the nature of either of the same, which are or may be by law, municipal or otherwise, or by any Statute of the United States or of any State or Territory of the United States or of the Provinces of the Dominion of Canada or of the Colony of Newfoundland, or by the rules, regulations, orders, customs, practice or discretion of any board, body, organization, office or officer, local, municipal or otherwise, be allowed, required or permitted to be executed, made, taken, given, tendered, accepted, filed or recorded for the security or protection of, by or for any person or persons, corporation, body, office, interest, municipality or other association or organization whatsoever, in any and all capacities whatsoever, conditioned for the doing or not doing of anything or any conditions which may be provided for in any such bond, recognizance, obligation, stipulation, or undertaking, or anything in the nature of either of the same.

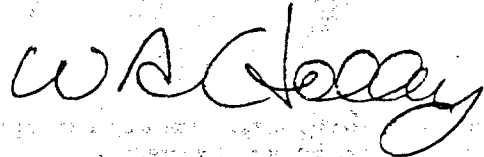
I, **W. R. Holley**, an Assistant Secretary of the UNITED STATES FIDELITY AND GUARANTY COMPANY, do hereby certify that the foregoing is a full, true and correct copy of the original power of attorney given by said Company to

Claude Walters

of **Albuquerque, New Mexico**, authorizing and empowering **him** to sign bonds as therein set forth, which power of attorney has never been revoked and is still in full force and effect.

And I do further certify that said Power of Attorney was given in pursuance of a resolution adopted at a regular meeting of the Board of Directors of said Company, duly called and held at the office of the Company in the City of Baltimore, on the 11th day of July, 1910, at which meeting a quorum of the Board of Directors was present, and that the foregoing is a true and correct copy of said resolution, and the whole thereof as recorded in the minutes of said meeting.

In Testimony Whereof, I have hereunto set my hand and the seal of the UNITED STATES FIDELITY AND GUARANTY COMPANY on **June 20, 1974**
(Date)



Assistant Secretary.

C. MELVIN NEAL (1907-1988)
J. W. NEAL
C. FINCHER NEAL
JERRY A. LEWIS

NEAL & NEAL
LAWYERS
NEAL BUILDING - P. O. BOX 278
HOBBS, NEW MEXICO
88240

TELEPHONE
AREA 505 393-5171

June 21, 1974

Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. William F. Carr

Re: Maddox
Tamanaco Ranch "B" and El Poso Ranch
"N" Wells

Gentlemen:

I acknowledge receipt of a copy of your letter to Mr. Robert E. Huffman, dated May 28, 1974. As I have previously advised you, there is a present outstanding lease in favor of Mr. Grim with an obligation that after testing if the wells are not productive the same will be plugged. In the event you or the insurance company attempts to plug the wells then someone will owe Dr. Maddox the costs of drilling and testing and completing a new well.

If you will just be patient, the wells, in the event they cannot be produced, will be plugged in the near future by Mr. Grim. I am informed by Mr. Grim that the necessary papers will be recorded and forwarded to the Oil Conservation Commission.

Very truly yours,

NEAL & NEAL

By

J. W. Neal

JWN/sp

cc: CNA Insurance
Attention: Mr. Robert E. Huffman

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 5, 1974

C
O
P
Y

J. W. Neal, Esq.
P. O. Box 278
Hobbs, New Mexico 88240

Re: 96-103502
Bond 27 168
Tamanaco Oil Corporation Well
Plugging Bond

Dear Mr. Neal:

Thank you for your letter of May 31, 1974, and the attached copy of the lease given by your client to Mr. Bob Grim. This is the first information the Oil Conservation Commission has received about Mr. Grim and the arrangement for him to take over the Tamanaco wells on the Maddox lease.

The problem that still confronts the Commission is that seemingly endless representations have been made to the Commission by numerous individuals, starting on September 26, 1963, concerning the testing and plugging of the Tamanaco wells and no action consistent with the representations has ever been taken. As of this date, Mr. Bob Grim has not posted a plugging bond with the Oil Conservation Commission nor has he filed any of the forms required by Commission rules and regulations which would indicate that anyone other than Tamanaco Oil Corporation is the operator of the wells in question.

The Commission therefore intends to pursue its present course of action and demands the immediate plugging of these wells by either H. K. Riddle or CHA Insurance. The Commission has jurisdiction to make such a plugging demand through its statutory enumeration of its powers and the police power of the State of New Mexico and is prepared to litigate these questions should that be necessary.

I remain available to discuss this matter at any convenient time for you.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/dr
ccs: Mr. Emory Arnold
Mr. Lorenzo E. Tapia
Mr. Ralph Apodaca
Mr. Robert E. Huffman

ILLEGIBLE

C. MELVIN NEAL (1907-1958)

J. W. NEAL

C. FINCHER NEAL

NEAL & NEAL

LAWYERS

NEAL BUILDING - P. O. BOX 278

HOBBS, NEW MEXICO

88240

TELEPHONE

AREA 505 393-5171

May 31, 1974

Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. William F. Carr

Re: 96-103502
Bond 27 168
Tamanaco Oil Corporation
Well Plugging Bond

Gentlemen:

I acknowledge receipt of a copy of your letter dated May 28, 1974 in regard to the above matter.

As you know, I represent the owner of the surface and minerals of the El Poso Ranch. The lease heretofore executed to Tamanaco Oil Corporation expired several years ago. Dr. Maddox has now given an oil and gas lease to Bob Grim covering a portion of the properties theretofore leased to Tamanaco and, in particular, two wells that are situated upon the property. As part of the consideration of this lease, the wells would be tested in the near future and in the event the testing was unsuccessful Mr. Grim would plug same. I assume at this time Mr. Grim has filed his plugging bond with you.

I seriously question the jurisdiction of the Oil Conservation Commission at this time to take any action concerning these wells. In any event within the next 60 to 90 days they will either be tested or plugged. I enclose herewith a copy of the lease for your information.

Very truly yours

J. W. Neal

JWN/b

cc: Mr. R. E. Huffman
cc: Dr. W. A. Maddox
cc: Mr. Bob Grim

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

May 28, 1974

Mr. Robert E. Huffman, Supervisor
Surety Claims
CNA Insurance
310 South Michigan Avenue
Chicago, Illinois 60604

Re: 96-103502
Bond 27 168
Tamanaco Oil Corporation
Well Plugging Bond

Dear Mr. Huffman:

Both of the following are reputable companies who plug oil and gas wells in Northwestern New Mexico:

Larry B. Bedford
P. O. Box E
Farmington, New Mexico

Aztec Well Service
501 S. Main
Aztec, New Mexico

I believe both companies have worked with the Commission in the past and either would do a responsible job. We would like to witness the plugging of the wells and would appreciate it if someone would contact our Aztec office as soon as a date and time are set.

At this time I am not certain as to whether there will be problems obtaining access to the property to plug the wells but will re-emphasize the Commission's willingness to intervene the State of New Mexico in any action which could arise from this situation in which the ownership of wells on expired leases is involved.

Very truly yours,

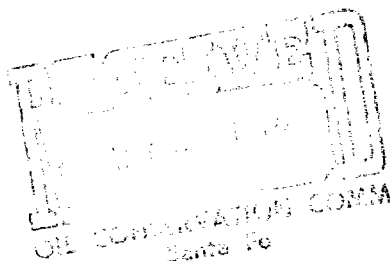
WILLIAM F. CARR
General Counsel

WFC/dr

cc: Mr. J. W. Neal
P. O. Box 278
Hobbs, New Mexico 88240

ILLEGIBLE

May 22, 1974



LIABILITY, PROPERTY, SURETY CLAIM DEPARTMENT
AREA CODE 312 • 822-5000

Mr. William F. Carr
General Counsel
Oil Conservation Commission
State of New Mexico
P O Box 2088
Santa Fe NM 87501

Dear Mr. Carr:

96-103502
Bond 27168
Tamanaco Oil Corporation - to -
The State of New Mexico
Well Plugging Bond

The Surety is in agreement with your recommendation that the wells be plugged as soon as possible.

I would ask that you would supply me with the name of a reputable company so that this work may be accomplished as soon as possible. The work, of course, would be supervised by someone from your office so that it may comply with the State requirements.

You had indicated in an earlier phone conversation with me that Mr. Riddle had caused certain owners of the properties concerned to indicate they did not want the wells plugged. If this is true, would a successor well plugging company have difficulty in obtaining access to the property to plug the wells?

Yours very truly,

Robert E. Huffman, Supervisor
Surety Claims

cac

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

May 8, 1974

Mr. Vincent P. Jasso
Deputy Superintendent
Department of Insurance
PERA Building
Santa Fe, New Mexico 87501

Re: Tamanaco Oil Corporation-to-
State of New Mexico
Well Plugging Bond #27168

Dear Mr. Jasso:

Enclosed are copies of two letters I have sent to Mr. J. W. Neal, Attorney for the landowner on which the Tamanaco wells are located and to Mr. Robert E. Huffman, Supervisor of the Surety Claim Department of CNA Insurance. I believe the letters are self-explanatory.

Mr. Huffman and CNA have been cooperating with the Commission in its endeavors to plug the wells covered by this bond.

I will continue to keep you advised as to all developments in this situation and appreciate the continued assistance your office has provided us in recent months.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/dr
cc: Mr. E. Huffman
enclosures

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

April 30, 1974

Mr. J. W. Neal
P. O. Box 278
Hobbs, New Mexico 88240

Dear Mr. Neal:

I regret that I missed you when you were in Santa Fe to discuss the present status of the Tamanaco Pound Ranch "B" and El Paso Ranch "N" wells.

Mr. Nutter, the Oil Conservation Commission's chief petroleum engineer, has informed me that you represent Dr. Maddox, the owner of the land on which these wells are located, and that Dr. Maddox is (1) refusing entry onto these premises to anyone including Mr. Riddle who desires to plug the wells, (2) claims sole ownership of the wells due to the fact that the oil and gas leases on this property have expired and (3) is unwilling to file a Commission Form C-104 to designate himself owner of the wells and post a proper plugging bond on these wells with the Commission.

As you are aware, the Commission has made a formal demand on CNA Insurance to perform under its bond #27168 and plug these wells. The Superintendent of Insurance is also bringing pressure on CNA to perform under this bond. The Commission insists that CNA or Riddle must carry out their responsibilities and plug and abandon the subject wells. Our position could only change if a C-104 was filed changing the name of the owner of the well and a bond was posted to assure the state that the wells would eventually be properly plugged and abandoned.

The Commission, therefore, is reaffirming its demand on CNA, is recommending that Dr. Maddox be enjoined from interfering with the plugging operations and offering to intervene the State of New Mexico in any litigation which may arise from this situation in which the question of ownership of wells on expired leases is involved.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/dr

April 23, 1974

Vincent P. Jasso
Deputy Superintendent
Department of Insurance
State of New Mexico

96-103502-00 Bond 27168
Tamanaco Oil Corporation
-to-State of New Mexico
Well-Plugging Bond

Dear Mr. Jasso:

Your letter of April 18, 1974, directed to Mr. John Kuenster of our Surety Bond Department, has been forwarded to the claim department for attention. You have requested that the surety furnish your office with copy of all correspondence on this claim.

I spoke to William F. Carr, General Counsel, Oil Conservation Commission in Santa Fe, today, Monday, April 22. In this conversation, I reaffirmed the Surety's position and cooperation with that commission and mentioned to Mr. Carr the receipt of your letter.

Mr. Carr stated that he would phone you, today, explaining that our principal has filed an answer to that complaint. It appears that the matter is becoming more complex, and that it will require some time to be resolved.

I have been in frequent contact with the Conservation Commission concerning this matter since 1973. One of the letters from the Oil Commission was received in our Bond Underwriting Department. They were unaware of the prior correspondence and a loss of approximately three weeks' time occurred before the information was received in my office. Upon receipt of the letters to the Bond Department, I immediately phoned Mr. L. Berry, Attorney for the Oil Commission, assuring him of our intentions to cooperate in every way possible. It was agreed that at that time the surety would be given an extension of time allowing our principal to file an Answer to the suit. A copy of this correspondence is enclosed for your perusal.

Very truly yours,

Robert E. Huffman, Supervisor
Surety Claim Department - 34S
cc: William F. Carr, Esquire
Oil Conservation Commission
State of New Mexico



insurance

310 SOUTH MICHIGAN AVENUE • CHICAGO, ILLINOIS 60604

April 23, 1974

LIABILITY, PROPERTY, SURETY CLAIM DEPARTMENT
AREA CODE 312 • B22-5000

Oil Conservation Commission
State of New Mexico
P O Box 2088
Santa Fe, NM 87501

Attention: William F. Carr, Esquire
General Counsel

Dear Mr. Carr:

96-103502-00 Bond 27168
Tamanaco Oil Corporation-to-
State of New Mexico
Well-Plugging Bond

This is to confirm our telephone conversation of Monday, April 22nd. At that time, I indicated to you that I was in receipt of a form letter from Vincent B. Jasso, Deputy Superintendent, State of New Mexico, Department of Insurance. Mr. Jasso asked that the surety furnish him with a copy of all correspondence on this matter. He attached a reproduction of a letter dated February 8, 1974, to Mr. John Kuenster of our Surety Bond Department.

You indicated that you would make a phone call, today, April 22nd, to Mr. Ralph Apodaca, Superintendent of Insurance, State of New Mexico, explaining that the surety was, in effect, cooperating with your department on this claim and that there was an answer filed to the complaint by Tamanaco Oil Corporation raising defenses to the charges of the Oil Conservation Commission.

As I indicated to you in our phone conversation and past correspondence the surety is willing to cooperation with the Oil Conservation Commission on this matter and is only affording an opportunity for our principal to have his day in court.

Very truly yours,

Robert E. Huffman
Supervisor - 34S

gsd

cc: Vincent P. Jasso
Deputy Superintendent
Department of Insurance
State of New Mexico

LORENZO E. TAPIA
MIGUEL P. CAMPOS
—
ASSOCIATE IN SANTA FE
CHARLES S. SOLOMON

LAW OFFICES OF
TAPIA & CAMPOS
SUITE 1805 NATIONAL BUILDING
505 MARQUETTE, N.W.
ALBUQUERQUE, NEW MEXICO 87101

TELEPHONE 243-2869
AREA CODE 505

April 19, 1974

Mrs. Susie M. Montoya,
Clerk of the District Court
First Judicial District
Post Office Box 2268
Santa Fe, New Mexico 87501

Re: Rio Arriba County
Cause No. 12506

Dear Mrs. Montoya:

Enclosed herewith for filing is the Answer in the above cause,
on behalf of the defendant. Upon completion of the filing pro-
cedure, would you please return to me the endorsed copies.

Thank you.

Sincerely,

TAPIA & CAMPOS

LORENZO E. TAPIA

Lorenzo E. Tapia

LET:LER
Enclosures
cc:/w/enc.
William F. Carr, Esquire ✓
Post Office Box 2088
Santa Fe, New Mexico 87501

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LORENZO E. TAPIA
MIGUEL P. CAMPOS

ASSOCIATE IN SANTA FE
CHARLES S. SOLOMON

LAW OFFICES OF
TAPIA & CAMPOS
SUITE 1805 NATIONAL BUILDING
505 MARQUETTE, N.W.
ALBUQUERQUE, NEW MEXICO 87101

TELEPHONE 243-2869
AREA CODE 505

April 5, 1974

Mr. William F. Carr,
Special Assistant Attorney General
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Oil Conservation Comm. v.
Tamanaco Oil Corp., Rio
Arriba County Cause No.
12506

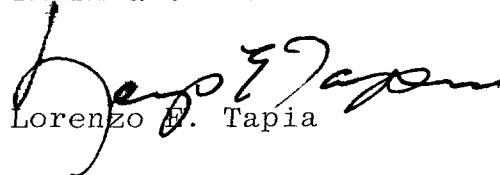
Dear Mr. Carr:

I am herewith enclosing a copy of the Order signed by Judge Santiago Campos granting us thirty days to file an Answer and plead to plaintiff's complaint. The Order was entered on March 26, 1974, and our Answer will be filed by April 26, 1974. Meanwhile, my client, the owner of the property and his attorney are proposing to come to Albuquerque to discuss this matter with me and hopefully we can communicate with you about this matter in the interim pending the filing of an Answer.

If you have any questions, please do not hesitate to contact me.

Sincerely,

TAPIA & CAMPOS


Lorenzo E. Tapia

LET:LER
Enclosure

LORENZO E. TAPIA
MIGUEL P. CAMPOS

ASSOCIATE IN SANTA FE
CHARLES S. SOLOMON

LAW OFFICES OF
TAPIA & CAMPOS
SUITE 1805 NATIONAL BUILDING
505 MARQUETTE, N.W.
ALBUQUERQUE, NEW MEXICO 87101

TELEPHONE 243-2869
AREA CODE 505

March 20, 1974

Messrs. William F. Carr
Thomas W. Derryberry
Special Assistant Attorneys General
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Oil Conservation Commission
of New Mexico v. Tamanaco
Oil Corporation, Cause No.
12506, Rio Arriba County

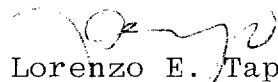
Messrs. Carr and Derryberry:

Enclosed herewith is a copy of the Motion for Extension of Time filed on behalf of defendant in the above, entitled and numbered cause, along with an Order, for your consideration and approval. If the Order is acceptable, would you kindly approve it and return it to me for submission to the Judge.

Thank you very much.

TAPIA & CAMPOS

Sincerely,


Lorenzo E. Tapia

LET:LER
Enclosures

LORENZO E. TAPIA
MIGUEL P. CAMPOS
—
ASSOCIATE IN SANTA FE
CHARLES S. SOLOMON

LAW OFFICES OF
TAPIA & CAMPOS
SUITE 1805 NATIONAL BUILDING
505 MARQUETTE, N.W.
ALBUQUERQUE, NEW MEXICO 87101

TELEPHONE 243-2869
AREA CODE 505

March 20, 1974

**Mrs. Susie M. Montoya,
Clerk of the District Court
First Judicial District
Post Office Box 2268
Santa Fe, New Mexico 87501**

Re: No. 12506, Rio Arriba County

Dear Mrs. Montoya:

**Enclosed herewith for filing is my Entry of Appearance on
behalf of defendant in the above numbered cause.**

Thank you.

TAPIA & CAMPOS

Sincerely,

LORENZO E. TAPIA

Lorenzo E. Tapia

**LET:LER
Enclosure
cc:w/enc.**

**William F. Carr, Esquire ✓
Post Office Box 2088
Santa Fe, New Mexico 87501**

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OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

March 15, 1974

C
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P
Y

Lorenzo E. Tapia, Esq.
Route 4, Box 466
Albuquerque, New Mexico

Re: The Oil Conservation
Commission of the State
of New Mexico v. Tamanaco
Oil Corporation. Rio
Arriba County District
Court No. 12506

Dear Mr. Tapia:

This letter confirms our conversation of March 14, 1974,
in which I consented to a 30-day extension of time for Tamanaco
Oil Corporation to file its answer in the above captioned cause.

My consent in no way affects the Commission's intention
to fully pursue this matter to a prompt conclusion.

Very truly yours,

WILLIAM F. CARR
Special Assistant Attorney General

WFC/jr

cc: CNA Insurance

February 19, 1974

H. Z. Riddle
R 3 Box 5466
Albuquerque NM 87123

Dear Mr. Riddle:

Tamanco Company
-to- State of New Mexico
Well Plugging Bond
96-103502

Pursuant to our phone conversation of Friday, February 15, I enclose a reproduction of correspondence recently received from the Oil Conservation Commission, State of New Mexico, William F. Carr, General Counsel. You will note that the state has filed a Summons and Complaint against Tamanco Oil Corporation for your firm's failure to plug two abandoned wells in accordance with the state regulations.

As I indicated to you on the phone, it is necessary that this plugging be completed as soon as possible so as to avoid the state calling upon the surety to have the job done in your behalf. Should this action become necessary, the surety would look to you for reimbursement for sums expended to complete the work.

I spoke with Attorney Berry of the Oil Conservation Commission after I spoke to you on Friday, February 15. Mr. Berry indicated that any administrative relief that might be available to you has now expired. It seems that you did not appear at a hearing which was ordered some time ago and further, that you did not apply for a rehearing and the order against you became final on July 19, 1973.

It would appear that the only course of action open to you is to plug the well in accordance with the state's wishes so as to avoid any financial loss on this matter.

I ask that you make contact with the Oil Conservation Commission in that regard at the Commission's Antec Office as soon as possible.

Yours very truly,

Robert E. Huffman, Supervisor

cc - Oil Conservation Commission
State of New Mexico
P O Box 2088
Santa Fe NM
Attention: L. Berry, Attorney

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ILLEGIBLE

February 19, 1974

LIABILITY, PROPERTY, SURETY CLAIM DEPARTMENT
AREA CODE 312 • 822-5000

Oil Conservation Commission
State of New Mexico
P O Box 2088
Santa Fe NM

Attention: L. Berry, Attorney

Dear Mr. Berry:

96-103502
Tamanco Company-to-State of New Mexico
Well Plugging Bond

I enclose a carbon of my letter to our principal, the Tamanco Corporation,
Attention of Mr. Riddle, President.

As we discussed this situation on Friday, February 15, you indicated that you
would have no objection for the surety waiting until such time as an answer
would be required by the Tamanco Coil Corporation to the suit recently filed
by the Oil Conservation Commission against that principal prior to the surety
taking any action in regard to the plugging of the two wells concerned.

As I indicated to you, the surety will fulfill its obligation causing
plugging of these wells in conformance with the state requirements
should our principal fail to do so with the time allowed for an answer
to be filed in the recent litigation.

It is my intention should this become necessary to contact our office in
Albuquerque, and secure a contractor who would be satisfactory with the
commission to begin the work required, under state supervision.

I would be pleased to hear from you with regard to any thoughts you may
have on this matter between now and the date within which our principal
must answer the suit filed against him.

Yours very truly,



Robert E. Huffman, Supervisor
Surety Claim Department - 34S

gsd
Encl.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 11, 1974

C
O
P
Y

Mr. Lester Hay
Sheriff of Bernalillo County
Bernalillo County Court House
Albuquerque, New Mexico

Dear Sheriff Hay:

Enclosed is a copy of a Complaint filed by the Oil Conservation Commission of the State of New Mexico against Tamanaco Oil Corporation which I need to have served. As you will note, I have two addresses on the summons. Service on either of these individuals will be sufficient.

If you have any questions or there is any charge for serving this, please call me in Santa Fe at 827-2741.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/dr
enclosure

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 8, 1974

Mr. Emery Arnold
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

Dear Emery:

Today I am filing suit in Rio Arriba County against
Tamanaco Oil Corporation. A copy of the complaint is enclosed.
As you will note, it seeks only fines. I believe the Commission
should turn to the surety to obtain performance under the
bond we have on these wells. The bond will be sufficient to
cover all plugging costs.

I will keep you advised as to any further developments
in this situation.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/jr

Enc.

cc: CNA Insurance
310 South Michigan Avenue
Chicago, Illinois 60604
Attention: Mr. John Kuenster and Robert E. Huffman

Mr. H. K. Riddle
Rt. 5 Box 5466
Albuquerque, New Mexico 87112

ILLEGIBLE

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 8, 1974

Mr. John Kuenster
Surety Department
CNA Insurance
310 South Michigan Avenue
Chicago, Illinois 60604

Re. Tamanaco Oil Corporation Bond

Dear Mr. Kuenster:

Pursuant to your letter of January 14, 1974, I am enclosing a copy of the bond on the Tamanaco wells. I am also enclosing a copy of my correspondence file on these wells.

As you will note, the Commission made formal demand on CNA to perform under this bond on September 9, 1973, and reaffirmed our demand on October 17, 1973. I reaffirm that demand again by this letter.

As our correspondence file indicates, the Commission has been attempting to no avail to get these wells plugged since 1963.

On January 25, 1974, the Oil Conservation Commission authorized me to file suit against Tamanaco for rule violations. That suit is being filed today and I am enclosing a copy of the complaint. You will note that this suit seeks only a fine not the plugging of these wells.

For the proper plugging of these wells, we turn to CNA Insurance and expect immediate performance under the enclosed bond. Before the wells are plugged, our Aztec office must be notified so that the plugging can be witnessed by Commission personnel.

I am sure that once you have reviewed the enclosed material you will agree with me that the Commission has been more than patient with all concerned regarding the plugging of these wells. We have, however, reached the point where these wells

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Mr. John Kuenster

February 6, 1974

Page 2

must be immediately plugged and abandoned enabling the Commission thereby to carry out its statutorily mandated responsibilities.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/dr

cc Emary Arnold, Supervisor
District #2
Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

Mr. Ralph Apodaca
Superintendent of Insurance
PERA Building
State Capitol Complex
Santa Fe, New Mexico 87501

Mr. H. K. Riddle
Rt. 5, Box 5466
Albuquerque, New Mexico 87112



January 15, 1974

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. William F. Carr, General Counsel

Re: Tamanaco Oil Corporation
Wells 11 N and 27 B., 28 N. 1 E.

Dear Mr. Carr:

Since our efforts to plug the captioned wells in accordance with your letter of Dec. 17th., we have been advised by Mr. J. W. Neal of Hobbs, attorney for Dr. Maddox who owns the Pound and El Poso Ranches upon which said wells are located, that they do not want the wells plugged; that they could use gas from either well for heating their ranch headquarters located nearby; that they want the oil well pumped and perhaps other wells drilled.

Grimm Drilling Company has moved a rotary rig as near to the locations as they can get until snow and road conditions improve. They are interested in either plugging the wells, which I cannot now do, or in drilling another or other wells.

I believe Mr. Neal said that he and Dr. Maddox, with me, would come to Santa Fe to see you about this matter in the near future.

Yours very truly,

A handwritten signature in dark ink, appearing to read 'H. K. Riddle', is written over the typed name.

H. K. Riddle

cc: Mr. J. W. Neal, Attorney
Box 278
Hobbs, New Mexico

EXHIBIT C

OIL CONSERVATION COMMISSION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

December 17, 1973

Mr. H. K. Riddle
Tamanaco Oil Corporation
Rt. 5, Box 5466
Albuquerque, New Mexico 87112

Re: Tamanaco Oil Corp. Wells 11 N and 27 B,
Township 28 North, Range 1 East, Rio
Arriba County, New Mexico, Plugging
and Abandoning

Dear Mr. Riddle:

I have read with interest your letter of December 12, 1973, in which you outline the efforts you have made to get the above-captioned wells plugged and abandoned as provided by Oil Conservation Commission Order No. R-4575, a copy of which is attached. I find it curious that you would have such a difficult time getting these plugged when other operators encounter no such problems. Perhaps you should attempt to get some other individuals to plug these wells -- individuals who could give you more reliable promises.

The comments which you made concerning the interest you and Mr. Bob Grimm have in putting the 27 B Well on production, if valid, should have been made before the Commission on June 20, 1973, pursuant to the notice which I sent to you by certified mail on June 7, 1973. I also have a return receipt signed by one Donna Riddle on this letter.

Since you elected not to appear at that hearing, Order No. R-4575 was entered. If you were not satisfied with this order, you had 20 days within which to apply for a rehearing under Section 65-3-22 New Mexico Statutes Annotated 1953. Since you elected not to apply for a rehearing, the order became final on July 19, 1973, and must be obeyed.

As to your statement that "time is of no particular concern.", the following may be of interest to you:

1. Since August 1, 1973, Tamanaco Oil Corporation has been in violation of Commission Order No. R-4575 and liable for penalties for such violation.

EXHIBIT B

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Mr. H. K. Riddle

-2-

December 17, 1973

2. The Commission has received repeated excuses for the operator's failure to obey this order.
3. The Commission made a plugging demand on the surety, Continental Casualty, on September 26, 1973, which was reaffirmed on October 17, 1973.
4. Mr. Riddle's letter of December 12, 1973, is the first written correspondence with the legal division of the Oil Conservation Commission since June, 1973.
5. That on January 7, 1973, at 10:00 a.m. the Oil Conservation Commission intends to file a complaint in District Court naming Tamanaco Oil Corporation, H. K. Riddle and CNA Insurance as defendants, seeking compliance with Oil Conservation Commission Order No. R-4575, performance under the Tamanaco \$10,000 Plugging Bond and all appropriate fines. (Section 65-3-27 (b) N.M.S.A., 1953, provides for fines of up to \$1,000 per day for each day a Commission order is violated.)

It appears to me, that unlike the representation in your letter of December 12, 1973, time is of particular concern -- particularly to you and Tamanaco Oil Corporation. The Commission does not appreciate either your repeated excuses concerning the plugging of these wells nor the attitude of your letter of December 12 in which you determine that these wells, in their present condition, are causing no damage and that time is of no particular concern.

I trust you will promptly take care of this matter. When you plug these wells you must first contact our Aztec office so that a Commission representative can be present to witness the plugging. You may direct any further questions to me or to Mr. Al Kendrick in the Aztec office.

Sincerely,

WILLIAM F. CARR
General Counsel

WFC/dr
enclosure

cc: Mr. Al Kendrick
CNA Insurance

January 14, 1974

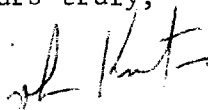
Mr. William F. Carr
General Counsel
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Tamanaco Oil Corp. Wells 11 N and 27 B,
Township 28 North, Range 1 East, Rio
Arriba County, New Mexico, Plugging
and Abandoning

Dear Mr. Carr:

We acknowledge receipt of a copy of your December 17, 1973 letter to H. K. Riddle of Tamanaco Oil Corporation. We have been unable to find a file on this bond and would appreciate your forwarding us a photostat of it. Thank you for your assistance.

Yours truly,



John Kuenster
Surety Dept.

JK:dj



Dec. 12, 1973

Oil Conservation Commission
State of New Mexico
Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. William F. Carr, General Counsel

Re: Tamanaco Oil Corp. wells 11N and 27B,
T. 28 N., R. 1 E., Rio Arriba County;
Plugging and abandoning.

Dear Mr. Carr:

We have continuously contacted various well plugging contractors and casing pullers since June of this year to abandon the captioned wells. Two of them are making promises to do the job, but always with the advice of delays. Bedford Inc. of Farmington is now saying that he can do the job 30 to 60 days from now, but last summer he said the same thing, when weather was good. From now on, through the winter, it may become impossible.

I have a contractor friend who has drilled some wells near Chama; Bob Grimm Drilling Co. of Belen, is coming by Sunday and we are going up there to look at the road conditions, etc;. He will be moving his rig out of that area soon, and agrees that if he can get onto these locations he will do the job for me. I am afraid that my promises can be no better than the ones I am getting from these various contractors. Grimm has been promising me to do this for two months now, however, I pinned him down at lunch this week and I believe he is going to perform.

I wish to advise you that I pumped the 27 B well, at about 5 bbls per day, not too long ago with some consideration of producing it.. It makes no water, and enough gas to fuel the pump engine. Grimm is interested in looking into this possibility, of producing the well and perhaps drilling another. He would abandon the 11 N well for the casing from it. I might add, the 11 N well will make enough gas to supply some industry or homes; is a shut in gas well. With these facts in mind, and since casing is cemented in both wells I can see no big damage they are causing and time is of no particular concern.

Yours very truly,

Tamanaco Oil Corporation

By: H. K. Riddle

cc: CNA/Insurance
Chicago, Illinois.

EXHIBIT A



01 CONSERVATION COM MISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD - AZTEC
87410

November 30, 1973

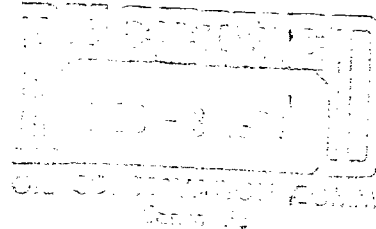
I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Chase 5002
Mr. H. K. Riddle
Route 5, Box 5466
Albuquerque, New Mexico 87123

Re: Plugging Operations
Tamanaco Oil Corp.



Dear Mr. Riddle:

The plugging programs for the Tamanaco Oil Corporation wells in Rio Arriba County are set out below:

Chase 5001
Pound Ranch B #27, B-27-28N-1E

Set the bottom plug from 877 feet to 731 feet with 19 sacks of cement.

Cut and pull the casing.

Set a 100 foot cement plug 50 feet in and 50 feet out of casing stub.

Set a 100 foot cement plug at the surface with a marker as required by Rule 202.

Fill all pits, level the location and remove all junk.

Chase 5001
El Poso Ranch N #11, N-11-28N-1E

Set the bottom plug from total depth to 1309 feet with 21 sacks of cement.

Cut and pull casing.

Set a 100 foot cement plug 50 feet in and 50 feet out of casing stub.

Set a cement plug from 100 feet to the surface with a marker as required by Rule 202

Fill all pits, level the location and remove all junk.

Rule 202, copy enclosed, requires all cement plugs to be separated by mud-laden fluid.

Contact this office by phone approximately 24 hours prior to the time the plugging operations are to begin so that a witness can be on location during the plugging operations.

November 30, 1973

Mr. H. K. Riddle
Page 2

If there are further questions, please call.

Yours very truly,



A. R. Kendrick
Engineer, District #3

ARK:mc

cc: Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Continental Casualty Co.
310 South Michigan Ave.
Chicago, Illinois 60604

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 21, 1973

CERTIFIED

Continental Casualty Company
310 South Michigan Ave.
Chicago, Illinois 60604

Attention: Mr. Robert E. Huffman

Re: Tamanaco \$10,000 Plugging
Bond

Gentlemen:

Enclosed is a copy of my letter to you dated September 26, 1973. As you will note, it makes formal demand on your company to plug certain wells pursuant to the above captioned bond. The letter gave you until October 15, 1973 to contact Mr. Emery Arnold of the Oil Conservation Commission's Aztec Office concerning this matter.

Mr. Arnold has advised me that as of this date, he has not been contacted by a representative of your company nor by Tamanaco.

If arrangements have not been made with Mr. Arnold for the plugging of these wells by December 7, 1973, the Commission will pursue all available legal remedies to obtain performance of your obligation under this bond.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/jr

cc: Mr. Emery Arnold

Enc.

Received on Oct. 29, 1973
[Signature]

October 24, 1973

H. K. Riddle
Route 5, Box 5466
Albuquerque NM 87123

Dear Mr. Riddle:

Tamamaco Company -to-
State of New Mexico
Blanket Well Plugging Bond

I enclose a reproduction of a letter dated October 17, 1973 from William F. Carr, general counsel for the Oil Conservation Commission, State of New Mexico.

It's necessary that you make contact in writing to Mr. Carr declaring your intentions to plug the wells concerned immediately. I would appreciate a reproduction of your correspondence so that I may be assured that this matter is receiving your attention.

You will note from Mr. Carr's letter of October 17 that the Oil Conservation Commission is reaffirming the demand that our company plug the wells in your behalf. If the surety does this rather than your company the cost I am certain would be much higher than what you would be able to obtain locally.

Again I request that you contact the Oil Conservation Commission in writing outlining your intention immediately so as to preclude the above mentioned course of action *By* the surety.

Very truly yours,

cc: Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe
W. Carr, General Counsel

Robert E. Huffman, Supervisor
Surety Claim

jdy

RECEIVED
OCT 29 1973
FBI

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

October 17, 1973

C
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P
Y

Mr. Robert E. Huffman
CNA Insurance
310 South Michigan Avenue
Chicago, Illinois 60604

Re: Oil Conservation Commission Plugging
Demand on the Tamanaco Oil Company's
El Poso Ranch Well 11 and Pound
Ranch B Well No. 27, Rio Arriba
County, New Mexico

Dear Mr. Huffman:

In response to your letter of October 4, 1973,
concerning the above-captioned wells, this letter is
to inform you that as of October 17, 1973, the Oil
Conservation Commission has received no word from
Mr. H. K. Riddle concerning any plans to plug these wells.

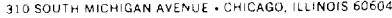
This letter reaffirms our demand that CNA Insurance
plug and abandon said wells.

I am sure you will want to attend to this matter
immediately so that no further action is necessary by
the Oil Commission.

Yours very truly,

WILLIAM F. CARR
General Counsel

WFC/dr



LIABILITY, PROPERTY, SURETY CLAIM DEPARTMENT
AREA CODE 312 • 822-5000

October 4, 1973

Oil Conservation Commission
State of New Mexico
P O Box 2088
Santa Fe NM

Attention: William F. Carr
General Counsel

Dear Mr. Carr:

Tamanaco Oil Company
-to- State of New Mexico
Blanket Well Plugging Bond

After receiving your letter of September 26, 1973, I placed a phone call to Attorney Lorenzo Tapia who represented the Tamanaco Oil Company. He gave me the address and phone number of Mr. Riddle which is Route 5, Box 5466, Albuquerque, New Mexico 87123.

I spoke with Mr. Riddle October 2. He indicated that he had engaged the services of well plugging crew to plug both wells cited in your letter of September 26, 1973. These are identified as El Poso Ranch in Well #11, Rio Arriba County and Pound Ranch B, Well #27, Rio Arriba County, New Mexico.

I am by carbon of this letter asking Mr. Riddle to let me know just as soon as these wells have been plugged to the satisfaction of your Oil Conservation Commission.

Yours very truly,

Robert E Huffman JR

Robert E. Huffman, Supervisor

vld

cc - H. K. Riddle
Route 5 Box 5466
Albuquerque NM 87123

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

September 26, 1973

Continental Casualty Company
310 South Michigan Avenue
Chicago, Illinois 60604

Re: Tamanaco, \$10,000 Plugging
Bond

Gentlemen:

On June 20, 1973, hearing was held before the Oil Conservation Commission in which you were provided an opportunity to appear and show cause why the following wells should not be plugged and abandoned in accordance with a Commission-approved plugging program:

El Poso Ranch "N" Well No. 11, located in Unit N
of Section 11, Township 28 North, Range 1 East,
Rio Arriba County, New Mexico

Pound Ranch "B" Well No. 27, located in Unit B
of Section 27, Township 28 North, Range 1 East,
Rio Arriba County, New Mexico.

The Commission has been in correspondence with Mr. R. E. Huffman, Supervisor of your Surety Claims Department, concerning this bond.

Mr. Emery Arnold, Supervisor of Oil Conservation Commission District III in Aztec, has advised this office that as of this date the subject wells have not been plugged by either Tamanco or Continental Casualty Company.

We hereby make demand upon your company to plug the above-described wells in accordance with a Commission-approved plugging program. Mr. Arnold must be contacted for an appropriate plugging program and given an opportunity to witness the plugging of the wells.

*Returned for Tamanco Oil Corp.
by Cooley & Burr, Farmington.*

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Continental Casualty Company

September 26, 1973
Page 2

It is necessary that Mr. Arnold be contacted on or before
October 15, 1973, concerning this matter.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/dr

cc. Tamanaco Oil Corporation - *Handwritten signature*
Mr. H. K. Riddle
Mr. Emery Arnold

C
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OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

September 26, 1973

Continental Casualty Company
310 South Michigan Avenue
Chicago, Illinois 60604

Re: Tamanaco, \$10,000 Plugging
Bond

Gentlemen:

On June 20, 1973, hearing was held before the Oil Conservation Commission in which you were provided an opportunity to appear and show cause why the following wells should not be plugged and abandoned in accordance with a Commission-approved plugging program.

El Poso Ranch "M" Well No. 11, located in Unit H
of Section 11, Township 28 North, Range 1 East,
Rio Arriba County, New Mexico

Pound Ranch "B" Well No. 27, located in Unit 3
of Section 27, Township 28 North, Range 1 East,
Rio Arriba County, New Mexico.

The Commission has been in correspondence with Mr. R. L. Huffman, Supervisor of your Surety Claims Department, concerning this bond.

Mr. Emery Arnold, Supervisor of Oil Conservation Commission District III in Aztec, has advised this office that as of this date the subject wells have not been plugged by either Tamanaco or Continental Casualty Company.

We hereby make demand upon your company to plug the above-described wells in accordance with a Commission-approved plugging program. Mr. Arnold must be contacted for an appropriate plugging program and given an opportunity to witness the plugging of the wells.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Continental Casualty Company

September 26, 1973

Page 2

It is necessary that Mr. Arnold be contacted on or before
October 15, 1973, concerning this matter.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/dr

cc. Tamaraco Oil Corporation
Mr. H. K. Riddle
Mr. Emery Arnold

C
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OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

August 13, 1973

C
O
P
Y

Mr. Robert E. Huffman,
Supervisor
Surety Claim Department
CNA/Insurance
310 South Michigan Avenue
Chicago, Illinois 60604

Dear Mr. Huffman:

Thank you for your correspondence of July 19, 1973, concerning the \$10,000 Blanket Bond filed with the Oil Conservation Commission covering certain wells drilled by Tamanaco Oil Company in the northwestern part of New Mexico.

As per your request, I have enclosed a copy of the bond and correspondence relating thereto.

If I may be of any further assistance to you, do not hesitate to call.

Very truly yours,

WILLIAM F. CARR
Special Assistant Attorney General
Oil Conservation Commission

WFC/dr
enclosures

cc: Mr. Emery Arnold
Oil Conservation Commission
Aztec, New Mexico 87410



July 19, 1973

LIABILITY, PROPERTY, SURETY CLAIM DEPARTMENT
AREA CODE 312 • 822-5000

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: William F. Carr
Specialist Assistant Attorney General
of Conservation Commission

Re: Tamanaco Oil Company -to-
State of New Mexico
Bond: Unknown

Dear Mr. Carr:

Your correspondence of June 7, 1973 directed to our Los Angeles Branch Office has been forwarded to our Home Office for attention.

We have been experiencing difficulty in identifying the bond concerned and ask your help in that regard. I will appreciate it if you could forward a reproduction of the bond that your recent correspondence has referred to.

In the caption of your letter you cited El Poso Ranch N, Well #11, Unit N, Section 11, Township 28 North, Range 1-E, Rio Arriba County, New Mexico. You also mentioned a Blanket Bond form 39-AL for \$10,000.00.

As soon as I receive this information from you, I shall be in a position to take affirmative action.

Yours very truly,

Robert E. Huffman, Supervisor
Surety Claim Department

cf

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

June 7, 1973

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

CERTIFIED - RETURN
RECEIPT REQUESTED

Tamanaco Oil Corporation
c/o Verity, Burr & Cooley
152 Petroleum Center Building
Farmington, New Mexico 87401

Tamanaco Oil Corporation
c/o Lorenzo Tapia, Esq.
Suite 1805 National Building
505 Marquette, N. W.
Albuquerque, New Mexico

Continental Casualty Company
2976 Wilshire Blvd.
Los Angeles, California

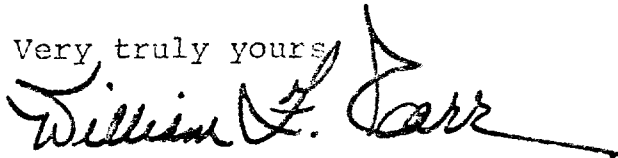
Mr. H. K. Riddle
1400 Mesilla, N.E.
Albuquerque, New Mexico

Re: El Poso Ranch "N" Well No. 11,
Unit N, Section 11, Township 28
North, Range 1 East, Rio Arriba
County, New Mexico, Continental
Casualty Company \$10,000 Blanket
Bond Form 39 - Al

Gentlemen:

Enclosed is a copy of the docket of the Examiner
Hearing to be held on Wednesday, June 20, 1973, at 9:00 a.m.
in the Oil Conservation Commission Conference Room, State
Land Office Building, Santa Fe, New Mexico. Case No. 5001
concerns the subject matter.

Very truly yours,



WILLIAM F. CARR
Special Assistant Attorney General
Oil Conservation Commission

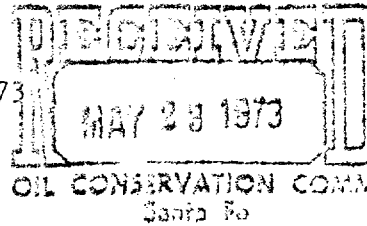
WFC/ac
enclosure
cc: Oil Conservation Commission - Aztec

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD - AZTEC

87410

May 22, 1973



GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Mr. William Carr, Attorney
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

5002
Case 4502

Re: Plugging & Abandonment Hearing
Tamanaco Oil Corporation
Pound Ranch B #27, B-27-28N-1E
El Poso #11, N-11-28N-1E

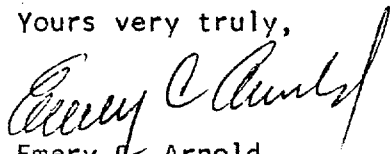
Dear Mr. Carr:

We have letters from the operator of the above two wells dated September, 1963, which indicate it is the operator's opinion that the wells are capable of commercial production. The Pound Ranch #1 well is reported as having a gas zone present at 700 feet and the El Poso #11 is represented as being capable of producing 10 barrels of oil per day from a total depth of 1450 feet. Based upon these claims the Commission postponed action to require plugging.

To my knowledge no further drilling or production has taken place at either of these locations since 1963. I, therefore, recommend that you set a case for hearing before the Commission to have the operator show cause why these wells should not be plugged and abandoned in accordance with a Commission approved plugging program.

Thank you.

Yours very truly,


Emery G. Arnold
Supervisor, District #3

ECA:mc

cc: H. K. Riddle
1409 Mesilla N. E.
Albuquerque, New Mexico

Jack Cooley, Agent
Petroleum Center Building
Farmington, New Mexico

H. K. Riddle

OIL AND GAS PRODUCER

~~XXXXXXXXXXXXXXXXXXXX~~

1409 MESILLA, N.E.

ALBUQUERQUE, NEW MEXICO

September 26 1963

RECEIVED

SEP 30 1963

OIL CON. COM.

DIST. 3

New Mexico Oil Conservation Commission

1000 Rio Brazos Road

Aztec, New Mexico

Gentlemen:

Enclosed is Form C-105 in quintuplicate, WELL RECORD on Tamanaco Oil Corp.
27- B Pound Ranch well.

We reported to you on Form C-103 on March 14, 1962 that 250' of 7" casing was cemented to surface. Air drilling encountered water at 300' and rig was moved 100' south and redrilled. A 4' nipple is screwed into this 7" surface pipe from the ground up, and a plate welded over the top. This water well is left insuspension, pending use required by the landowner as a water well.

Reported to you on Form C-103 On Sept. 20, 1961 was the following;

In the second hole, high gas pressures required very heavy mud to prevent blow-out while drilling from about 790' until we set 4½" at 1213'. Then we airdrilled on to 1928', pumped our heaviest mud from the pit to fill hole, lifted ^{casing} ~~drill pipe~~ up to 977', spotted cement back to 877'. Then we cemented 4½" at 831' with 30 sacks. After 36 hours pump pressure circulated so Dowell came again, cemented with another 60 sacks. The gas pressure kept working and bubbling around the casing during the setting period, so the first cement job did not hold, the second did. We estimate that cement is all the way back up to and around the 389.64' of 7" since we pulled 80,000 # on the 7" and could not pull it.

The gas is probably at around 790' and by perforating, we think this well could be made commercial. There is no pipeline within miles, however, the new dam to be built above El Vado Lake may create a market for this gas for their shops and buildings. A bullplug is screwed into the 4½" and bumped tight. This well with casing cemented all the way up within the surface pipe, will be left in suspension until such time as gas may be needed or marketed from this area.

Yours very truly,

TAMANACO OIL CORPORATION

BY:

H. K. Riddle
H. K. Riddle, President

Enclosure, Schlumberger, Gamma-Ray on this hole.

OIL CONSERVATION COMMISSION

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

5002
Case 4502

November 16, 1961

Laramie Oil Company
c/o Jack Cooley, Agent
Farmington, New Mexico

Dear Jack:

Our well file on Laramie's El Paso Ranch "B" #11 well in unit
H, Section 11-29N-12E shows that the well was spudded 1/1/61
and a G-103 was filed indicating production casing was set and
cemented. No subsequent reports have been filed showing whether
production was obtained or whether the well was a dry hole.

Will you please submit miscellaneous reports on this well in order
that we may issue plugging instructions if necessary. Form G-105
Well Record Form should also be filed.

Yours very truly

Emory C. Arnold
Superintendent, District #3

ECa:hs

cc: Oil Conservation Commission
Santa Fe, New Mexico

ILLEGIBLE

OIL CONSERVATION COMMISSION

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

5002
Case 4502

May 10, 1963

Tamamaco Oil Company
c/o Verity, Burr & Cooley
152 Petroleum Center Building
Wilmington, New Mexico

Re: #11 El Poso Ranch "N"
N-11-28N-1E, Rio Arriba County

Gentlemen:

Notice of Intention to Drill was filed on the above well on December 16, 1960. Subsequent notices were received indicating that the well was spudded January 1, 1961 and that 5½" casing was cemented at 1550' with 60 sacks.

The well has evidently been in a temporarily abandoned status since that date. We presume that no further attempt will be made by the operator to complete the well as a producing well and therefore are directing that it be plugged in accordance with New Mexico Oil Conservation Commission rules and regulations. Form C-102 should be filed showing the plugging program along with Form C-105, Well Record Form, indicating formations penetrated. In the event some action is not taken within the next 30 days it is our intention to set the matter for hearing in order that the operator and the bonding company may show cause why the well should not be plugged and abandoned.

Yours very truly

ECA:hc

Emery C. Arnold
Supervisor, District #3

cc: Continental Casualty Company,
2975 Wilshire Boulevard
Los Angeles 5, California

Oil Conservation Commission
Box 871
Santa Fe, New Mexico

RECEIVED
MAY 14 1963

OIL CONSERVATION COMMISSION
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

May 10, 1963

Tamamaco Oil Company
c/o Verity, Burr & Cooley
152 Petroleum Center Building
Farmington, New Mexico

Re: #27 Pound Ranch "B"
B-27-28N-1E, Rio Arriba County

Gentlemen:

Notice of Intention to Drill was filed on the above well on June 20, 1951. Subsequent reports were filed indicating that it was drilled to the Dakota Formation and that 4 $\frac{1}{2}$ " casing was cemented at 831'.

The well has evidently been in a temporarily abandoned status since that date. We presume that no further attempt will be made by the operator to complete the well as a producing well and therefore are directing that it be plugged in accordance with New Mexico Oil Conservation Commission rules and regulations. Form C-102 should be filed showing the plugging program, along with Form C-105, Well Record Form, indicating formations penetrated. In the event some action is not taken within the next 30 days it is our intention to set the matter for hearing in order that the operator and the bonding company may show cause why the well should not be plugged and abandoned.

Yours very truly

Emery C. Arnold
Supervisor, District #3

ECA:ka

cc: Continental Casualty Company
2975 Wilshire Boulevard
Los Angeles 5, California

Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Case 4501

June 5, 1961

Mr. E. E. Copenhagen, Jr.
Continental Casualty Company
2973 Wilshire Boulevard,
Los Angeles 5, California

Re: \$10,000 Blanket Plugging
Bond, Tamaraco Oil Corp.

Dear Sir:

Receipt of your request for cancellation of the above-captioned bond is hereby acknowledged.

In compliance with your request, the bond issued by your company on behalf of Tamaraco Oil Corporation, will be cancelled on June 26, 1961, as to any property or wells acquired, started or drilled after that date.

It should be noted, however, that the bond will remain in effect as to any property or wells acquired, started, or drilled prior to June 26, 1961.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/IRT/og

cc: Tamaraco Oil Corp.

Oil Conservation Commission: Artesia, Aztec, Hobbs

ILLEGIBLE

STATE OF NEW MEXICO

COUNTY OF RIO ARRIBA

IN THE DISTRICT COURT

THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO,

Plaintiff,

vs.

TAMANACO OIL CORPORATION,
a corporation,

Defendant.

No. 12506

ORDER

This matter having come before the Court for approval of the Stipulation agreed and entered into by the parties, the Court having reviewed the Stipulation finds that it is fair, just, and equitable and hereby approves, ratifies, and confirms said Stipulation in all respects.

ORIGINAL SIGNED BY

Bruce E. Kellum, District Judge

DISTRICT JUDGE

*approved for
Plaintiff
Gene J. Jankowski*

FILED ON 1-24-79
Rio Arriba
DISTRICT

STATE OF NEW MEXICO

COUNTY OF RIO ARRIBA

IN THE DISTRICT COURT

THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO,

Plaintiff,

vs.

TAMANACO OIL CORPORATION,
a corporation,

Defendant.

No. 12506

STIPULATION

WHEREAS, Plaintiff and Defendant are desirous of settling all the issues in controversy in the above-entitled and numbered cause:

NOW THEREFORE, the Plaintiff and Defendant by their attorneys, hereto agree as follows:

Defendant agrees to pay the sum of TWO THOUSAND DOLLARS, (\$2,000.00) in cash, upon the signing of this Stipulation, receipt of which is hereby acknowledged by Plaintiff.

Defendant further agrees to pay ONE THOUSAND DOLLARS (\$1,000.00) within six months from date of this Stipulation and an additional ONE THOUSAND DOLLARS (\$1,000.00), one year from date of this Stipulation.

Plaintiff and Defendant agree that in the event Defendant does not timely pay the sums above specified, the Plaintiff may enter judgment for the unpaid balance against Defendant without further notice to Defendant.

IN WITNESS WHEREOF, the parties agree to the foregoing on this twelfth day of January, 1979.

LORENZO E. TAPIA
Attorney for Defendant

LYNN TESCHENDORF
Attorney for Plaintiff

1-24-79

Rio Arriba

STATE OF NEW MEXICO

COUNTY OF RIO ARriba

IN THE DISTRICT COURT

THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO,

Plaintiff,

vs.

TAMANACO OIL CORPORATION,
a corporation,

Defendant.

No. 12506

ORDER

This matter having come before the Court for approval of the Stipulation agreed and entered into by the parties, the Court having reviewed the Stipulation finds that it is fair, just, and equitable and hereby approves, ratifies, and confirms said Stipulation in all respects.

DISTRICT JUDGE

Thomas Talbot Clark III
1720 S. Nickel
Deming, New Mexico 88030

Brian J. O'Rourke
1619 Bayita Lane, N.W.
Albuquerque, New Mexico 87107

Ben Murphy Allen
12620 Copper, N.E., No. 1
Albuquerque, New Mexico 87123

Stephen G. Hughes
P. O. Box 340
Santa Fe, New Mexico 87501

WITNESS, My official signature
and the seal of the Court this
1st day of November, 1978.
s/Rose Marie Alderete
Clerk of the Supreme Court
of the State of New Mexico

The Supreme Court on the dates indicated dis-
posed of the following cases by Decision:

October 17, 1978—No. 11,880—Mendonca v.

Anaya—Affirmed

October 23, 1978—No. 11,779—Viero v. Castillo—

Affirmed

October 23, 1978—No. 11,831—Slade v. Cummings—

Affirmed

October 24, 1978—No. 11,885—Keely v. Hall—

Affirmed

October 25, 1978—No. 11,977—Wilson v. Wilson—

Remanded

ADVANCE OPINIONS OF the Court of Appeals of New Mexico

DALLAS McCASLAND, and SIMS
and McCASLAND, a partnership,
Plaintiffs-Appellants

v.

PAUL D. PRATHER,
Defendant-Appellee

No. 3342
(filed
Sept. 26,
1978)

APPEAL FROM THE DISTRICT COURT
OF LEA COUNTY
Neal, Judge

Glen L. Houston
Hobbs, New Mexico

Attorney for Appellants

George J. Hopkins
Modrall, Sperling, Roehl, Harris & Sisk
Albuquerque, New Mexico
Maddox, Maddox & Cox
Hobbs, New Mexico

Attorneys for Appellee

CERTIORARI NOT APPLIED FOR OPINION

LOPEZ, Judge

The plaintiffs sued the defendant for breach of contract to purchase acid, brine and fresh water and to enjoin future breaches of contract. The defendant moved to dismiss the complaint for failure to state a claim upon which relief could be granted. The trial court dismissed the suit with prejudice. The plaintiffs appeal and we reverse.

The sole issue presented on appeal is whether the dismissal of plaintiffs' complaint pursuant to Rule 12(b)(6) of the New Mexico Rules of Civil Procedure, Section 21-1-1(12)(b)(6), N.M.S.A. 1953 (Repl. Vol. 4, 1970) was appropriate.

The defendant in his brief posits the proceeding as a motion to dismiss for failure to state a claim under Rule 12(b)(6), and the plaintiffs posit the proceeding as a motion for summary judgment. The trial court's ruling is set out as follows:

ORDER OF DISMISSAL

The above cause having come on before this Court on Defendant's Motion to Dismiss pursuant to Rule 12(b), the Court having considered said Motion and the Briefs filed in support and in response thereto, and having considered Plaintiff's [sic] Complaint and the contract attached thereto, and argument of counsel, and being otherwise fully advised in the premises, finds that Defendant's Motion is well taken and should be granted, and Plaintiff's [sic] Complaint fails to state a claim upon which relief can be granted, and it is, therefore,

ORDERED, that Plaintiff's [sic] Complaint be, and it hereby is, dismissed with prejudice.

It is clear from this order that the judge's order was made pursuant to a 12(b)(6) motion.

The United States Supreme Court in *Conley v. Gibson*, 355 U.S. 41, 78 S.Ct. 99, 2 L.Ed.2d 80 (1957) set out a rigorous test for determining whether a complaint fails to state a claim upon which relief may be granted:

... In appraising the sufficiency of the complaint we follow, of course, the accepted rule that a complaint should not be dismissed for failure to state a claim unless it appears

beyond doubt that the plaintiff can prove no set of facts in support of his claim which would entitle him to relief. 355 U.S. at 45-46.

The purpose of a motion under 12(b)(6) is to test the formal sufficiency of the statement of the claim for relief; i.e., to test the law of the claim, not the facts that support it. *Niece v. Sears, Roebuck & Co.*, 293 F.Supp. 792 (N.D. Okla. 1968). Also, in considering whether a complaint states a cause of action upon which relief may be granted, the court must accept as true all the facts which are pled. *Jones v. International Union of Operating Engineers*, 72 N.M. 322, 383 P.2d 571 (1963). Further, a motion to dismiss for failure to state a claim is granted infrequently. *International Erectors v. Wilhoit Steel Erectors & R. Serv.*, 400 F.2d 465 (5th Cir. 1968).

New Mexico adheres to the broad purposes of the rules and construes the rules liberally, particularly as they apply to pleading. As the New Mexico Supreme Court stated in *Carroll v. Bunt*, 50 N.M. 127, 130, 172 P.2d 116, 118 (1946):

The general policy of the Rules requires that an adjudication on the merits rather than technicalities of procedure and form shall determine the rights of the litigants.

Generally, a complaint on breach of contract must allege: (1) the existence of a valid and binding contract; (2) the plaintiff's compliance with the contract and his performance of the obligations under it; (3) a general averment of the performance of any condition precedent; and (4) damages suffered as a result of defendant's breach. *Wright and Miller, Federal Practice and Procedure: Civil Section 1235* (1969).

The plaintiffs alleged in their complaint that the parties entered into a Contract for Sale of Business and Agreement not to Compete; that under the terms of the contract the defendant agreed to buy all the brine and fresh water he needed from the plaintiffs; that the defendant has refused to buy all brine and fresh water from the plaintiffs, although such has always been available to him, and although plaintiffs have specifically asked him to do so; and that plaintiffs have specifically asked him to do so; and that plaintiffs have been damaged.

Attached to the complaint was a copy of the contract, the pertinent portions of which are set out below:

1. That Seller, for and in consideration of the sums to be paid and the covenants and agreements to be kept and performed by the Purchaser, agrees to sell to the Pur-

chaser and the Purchaser agrees to buy from the Seller the four hot oil units

2. The Purchaser shall pay the Seller as purchase price the sum of \$125,000.00, payable as follows: the sum of \$100,000.00 cash, receipt of which is acknowledged by Seller, and the sum of \$25,000.00, payable according to the terms of a promissory note executed separately, by which the Purchaser agrees to pay simple interest at the rate of 8 per cent per annum on said principal balance, and agrees to make payments in full of interest accrued at the end of the month of September of each year, commencing September 1972.

3. Seller agrees that for a five year period beginning on September 3, 1971, he will not, directly or indirectly . . . engage in the hot oil treating service business, within a radius of 100 miles of Eunice, New Mexico.

4. To the extent that the same is permissible under New Mexico and federal law, Purchaser agrees to buy all acid he needs from McCasland Hot Oil Service and agrees to buy all brine and fresh water he needs from Sims & McCasland, a partnership.

Our inquiry on appeal is essentially limited to the contents of the complaint and the contract which was attached to it. The question, therefore, is whether, in the light most favorable to the plaintiffs, and with every doubt resolved in their behalf, the complaint states any valid claim for relief.

The defendant took the position in his motion to dismiss that under paragraph four of the contract, the defendant is obliged to buy all his acid, and fresh water from the plaintiffs, but the plaintiffs are not mutually obligated to sell the required acid and fresh water to the defendant. Thus, the defendant contends this paragraph of the contract is unenforceable because there is no mutuality of obligation or consideration.

This kind of contract is generally labeled a requirements or output contract, and defendant does not argue this point. The defendant only argues that since plaintiffs are under no obligation to sell, there is no mutuality of obligation. The Uniform Commercial Code is controlling in New Mexico and Section 50A-2-306, N.M.S.A. 1953 (Repl. Vol. 8, pt. 1, 1962) reads as follows:

50A-2-306. Output, requirements and exclusive dealings.-(1) A term which measures the quantity by the output of the seller or the requirements of the buyer means such actual output or requirements as may occur in good faith, except that

no quantity unreasonably disproportionate to any stated estimate or in the absence of a stated estimate to any normal or otherwise comparable prior output or requirements may be tendered or demanded.

(2) A lawful agreement by either the seller or the buyer for exclusive dealing in the kind of goods concerned imposes unless otherwise agreed an obligation by the seller to use best efforts to supply the goods and by the buyer to use best efforts to promote their sale. (Emphasis added.)

The defendant relies on *Porter and Sons v. National Distiller Products, Co.*, 324 F.2d 202 (10th Cir. 1963), a case which arose from New Mexico prior to the adoption of the Uniform Commercial Code. In that case the trial court held a lack of mutuality existed, and after reasonable notice, the defendant could terminate the oral contract.

The *Porter* case is distinguishable. First of all, the court ruled that the contract at issue in *Porter* was not a requirements contract; secondly, the major issue in that case was whether the notice of termination was reasonable.

In *Gruschus v. C. R. Davis Contracting Co., Inc.*, 75 N.M. 649, 409 P.2d 500 (1965), the New Mexico Supreme Court held that an agreement wherein one party agrees to furnish material "necessary to the preparation of said concrete pavement" was in reality a requirements contract within the meaning of Section 50A-2-306(1). A lawful agreement by either seller or buyer imposes a corresponding duty on the other party under Section 50A-2-306, N.M.S.A. 1953, *supra*.

Defendant also contends there was no consideration. A contract must be considered and construed as a whole, with meaning and significance given to each part in its proper context with all other parts, so as to ascertain the intent of the parties. *Schultz & Lindsay Construction Co. v. State*, 83 N.M. 534, 494 P.2d 612 (1972). In addition to paragraph four, other sections of the contract set out that the plaintiffs agree to sell certain hot oil units to the defendant, and agree not to compete with the defendant in the hot oil business. This constitutes legal consideration. *Schultz*, *supra*. Further, inadequacy of consideration is not, of itself, sufficient to avoid a contract in the absence of evidence of fraud. *Featherstone v. Walker*, 43 N.M. 181, 88 P.2d 271 (1939).

The defendant also argued, in the motion to dismiss hearing, that the contract was unenforceable because the price and the duration

of the contract had been omitted, and in fact, were never specified by the parties.

The contract was made after the Uniform Commercial Code was adopted in New Mexico. Section 50A-2-305 and Section 50A-2-309, quoted in pertinent part below, are controlling.

50A-2-305. Open price term.-(1) The parties . . . can conclude a contract for sale even though the price is not settled. In such a case the price is a reasonable price at the time for delivery if

- (a) nothing is said as to price; or
- (b) the price is left to be agreed by the parties and they fail to agree; or
- (c) the price is to be fixed in terms of some agreed market or other standard as set or recorded by a third person or agency and it is not so set or recorded.

50A-2-309. Absence of specific time provisions--Notice of termination.-(1) The time for shipment or delivery or any other action under a contract if not provided in this article or agreed upon shall be a reasonable time.

(2) Where the contract provides for successive performances but is indefinite in duration it is valid for a reasonable time but unless otherwise agreed may be terminated at any time by either party.

(3) Termination of a contract by one party except on the happening of an agreed event requires that reasonable notification be received by the other party and an agreement dispensing with notification is invalid if its operation would be unconscionable.

No previous New Mexico cases have interpreted Section 50A-2-305. However, in *Illinois Commerce Com'n. v. Central Ill. Pub. Serv. Co.*, 25 Ill.App.3d 79, 322 N.E.2d 520 (1975) a contract providing that an electrical cooperative would supply "necessary electrical services" to a lot and which lacked a stated price term did not make the contract unenforceable. The court held that the owner of the lot would have to pay a reasonable price.

As to the duration of the contract, although paragraph four of the contract at bar does not spell out the duration of the contract, this fact does not in and of itself invalidate it. As set out in Section 50A-2-309, *supra*, in the absence of specific time provisions, the contract is valid for a reasonable time. *National Civil Service League v. City of Santa Fe, N.M.*, 370 F.Supp. 1128 (D.N.M. 1973).

Plaintiffs argue that their complaint stated a claim upon which relief could be granted. Defen-

dant argues that, even if the contract was not too indefinite and thus enforceable, under subsection two of Section 50A-2-309, supra, the contract may be terminable by either party. Subsection 2 and subsection 3 of Section 50A-2-309, when read together, set out that a contract is terminable at will upon reasonable notification.

Under 8(c) of the New Mexico Rules of Civil Procedure, Section 21-1-1(8)(c), N.M.S.A. 1953 (Repl. Vol. 4, 1970), the burden is on the defendant to raise any matter which will constitute an avoidance or an affirmative defense to plaintiffs' complaint. It was up to the defendant to assert that the contract was terminable at will because notice had been given. Failure of the plaintiffs to allege lack of notice in no way signifies a failure to state a claim upon which relief may be granted.

The plaintiffs' complaint, taking all well-pleaded facts as true, states a claim upon which relief may be granted. The trial court's dismissal of the complaint with prejudice is reversed and the case remanded for proceedings consistent with this opinion.

IT IS SO ORDERED.

s/Ramon Lopez, Judge

I CONCUR:

s/Hernandez, J.

Sutin, J. (dissenting)

POSITIONS AVAILABLE/WANTED

ASSISTANT DISTRICT ATTORNEY, FARMINGTON, NEW MEXICO. DUTIES: CRIMINAL PROSECUTION. SALARY: COMMENSURATE WITH EXPERIENCE. CONTACT AND FORWARD RESUME TO: PAUL R. ONUSKA, DISTRICT ATTORNEY, NORTH-EAST ENERGY BUILDING, SUITE 110, FARMINGTON, NEW MEXICO 87401. BB 222

Medium size law firm in Southern New Mexico is seeking an attorney with 0-2 years experience. Initial salary commensurate with experience. Excellent opportunity in an established insurance defense and general practice law firm. Direct reply with resume to State Bar of New Mexico, c/o Box 45, P. O. Box 25883, Albuquerque, NM 87125.

BB 229

The University of New Mexico invites applications and nominations for the position of Dean of the School of Law. Candidates must hold the J.D. degree or equivalent and have demonstrated professional accomplishment, including administrative and leadership abilities, legal scholarship and teaching. Candidates must have a strong

record of support for academic values, particularly with respect to teaching, including clinical education, community service, research and creative activity and academic freedom. Candidates must be able to provide leadership not only for the Law School community, but must be able to work with the University community, the legal profession, and the larger community of the State as a whole. In this regard, it is of particular importance that the candidate have an understanding of the multi-racial character of the region and its historic ties with Hispanic and Indian cultures.

Nominations and applications should be accompanied by a resume and should be addressed to: Luis G. Stelzner, Secretary, Dean's Search Committee, University of New Mexico School of Law, 1117 Stanford, N.E., Albuquerque 87131.

Interested parties are encouraged to submit applications and nominations by December 1, 1978. However, in no event will applications or nominations be considered which are received after January 1, 1979. The University of New Mexico is an equal opportunity-affirmative action employer.

BB 237

Items of Special Interest

The National Institute
for
Trial Advocacy
Announces an Intensive Program

in

TRIAL ADVOCACY

for the
Southwest Region

The program is divided into two parts

Part I
January 6-13, 1979

Part II
May 19-26, 1979

PARTICIPANTS MUST ATTEND BOTH
PARTS OF THE PROGRAM.

BOTH PARTS WILL BE HELD AT THE
UNIVERSITY OF ARIZONA COLLEGE
OF LAW, TUCSON, ARIZONA.

The program is designed primarily for young lawyers with one to five years of experience in trial practice. Student lawyers will perform as trial counsel under the guidance of a teaching team that includes an experienced trial judge, experienced trial lawyers and a law teacher.

For brochure and application form, contact: Professor Charles E. Ares, College of Law, University of Arizona, Tucson, AZ 85721, Telephone: (602) 626-1055. BB 236

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT
STATE OF NEW MEXICO COUNTY OF RIO ARRIBA

THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO,

. Plaintiff,

vs.

No. 12506

TAMANACO OIL CORPORATION,
a corporation,

Defendant.

NOTICE OF HEARING


NOTICE IS HEREBY GIVEN that the above cause of action will be called for hearing before the undersigned Judge for the time, date, place and purpose indicated.

1:00 P.M.	JANUARY 3, 1978	District Court, Div. IV
<u>TIME</u>	<u>DATE</u>	Judge Ernesto Vigil's Courtroom
		633 Vigil St.
		<u>Espanola, New Mexico</u>
		<u>PLACE</u>

NON JURY TRIAL
NATURE OF HEARING

OTHER COMMENTS:

SAID CAUSE WAS SCHEDULED FOR A TRAILING DOCKET. PLEASE
BE ADVISED THAT THE ABOVE DATE IS A DEFINITE SETTING.


DISTRICT JUDGE

DATE NOTICE MAILED: 12/27/78

cc: TAPIA AND CAMPOS, P.A.
1805 Western Bank Building
505 Marquette, N.W.
Albuquerque, New Mexico 87102

Ms. Lynn Teschendorf
Assistant Attorney General
Post Office Box 2088
Santa Fe, New Mexico 87501

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT

STATE OF NEW MEXICO

COUNTY OF RIO ARRIBA

THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO,

Plaintiff,

vs.

No. 12506

TAMANACO OIL CORPORATION,
a corporation,

Defendant.

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that the above cause of action will be called for hearing before the undersigned Judge for the time, date, place and purpose indicated.

9:30 A.M.

TIME

JANUARY 2, 1979

DATE

District Court, Div. IV

Tierra Amarilla, N.M.

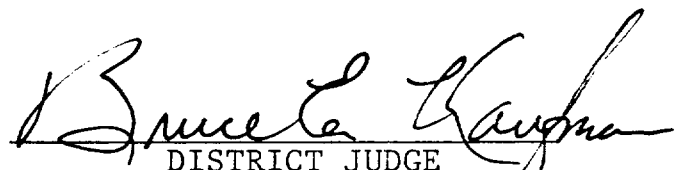
PLACE

NON JURY TRIAL

NATURE OF HEARING

TRAILING DOCKET.

OTHER COMMENTS


DISTRICT JUDGE

DATE NOTICE MAILED: 10/23/78

cc: TAPIA AND CAMPOS, P.A.
1805 Western Bank Building
505 Marquette, N.W.
Albuquerque, New Mexico 87102

Ms. Lynn Teschendorf
Assistant Attorney General
N.M. Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

C. MELVIN NEAL (1907-1968)
J. W. NEAL
JERRY A. LEWIS
JAMES P. SAUNDERS, JR.
WILLIAM G. W. SHOOBRIDGE
W. A. MGBEE

NEAL & NEAL
LAWYERS
NEAL BUILDING - P. O. BOX 278
HOBBS, NEW MEXICO
88240

TELEPHONE
AREA 505 397-3614

March 23, 1978

Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention: Mrs. Lynn Teschendorf

Gentlemen:

As I have previously advised you, we were in the process of entering into an agreement with U. S. Resources, Inc., a corporation, whose address is 4560 Belt Line Road, Suite 300, Dallas, Texas 75240, in regard to exploration and development of the minerals under the El Paso Ranch situated in Rio Arriba County, a copy of which agreement is enclosed herewith.

I call your attention to Paragraph 4 which requires them to immediately comply with your regulations in order that the two wells in question can be plugged.

Very truly yours

J. W. Neal

JWN/b
Encl.

AGREEMENT

THIS AGREEMENT made this the 15th day of March, 1978, between Dr. W. A. Maddox and his wife, Frances Maddox, and Dr. W. A. Maddox, as Trustee, hereafter called Maddox, and U. S. Resources, Inc., a corporation, hereafter called U.S.,

W I T N E S S E T H:

WHEREAS, Maddox is the owner of all the minerals under, and the surface estate to, a portion of the ranch known as the El Poso Ranch situated in Rio Arriba County, New Mexico, and

WHEREAS, U. S. desires to explore, drill and produce oil and gas therefrom, and

WHEREAS, the parties desire to provide for the exploration, drilling and production of oil and gas upon said ranch.

NOW, THEREFORE, it is agreed as follows:

1. The subject matter of this agreement consists of the oil and gas situated under the El Poso Ranch from minerals owned by Maddox, a copy of said ranch plat being attached hereto. It is understood between the parties that there are approximately 20,000 acres of minerals owned by Maddox; the exact description of the property will be obtained, inserted upon a regular map of the area, and such map shall be attached as Exhibit "B" to this agreement. The parties hereto have in their possession a copy of the El Poso Ranch prepared by the U. S. Department of Interior designated Tract No. 35 and prepared June 6, 1967.
2. It is understood between the parties that this agreement pertains solely to the exploration, drilling and production of oil and gas and does not cover any other minerals situated under the land. Maddox, however, agrees for a period of five years from the date hereof not to enter into any agreement pertaining to the exploration, development or production of other minerals situated under the ranch without first having given U. S. a prior written option to obtain a lease upon said minerals upon the same terms and conditions that a lease for other minerals may have been offered to Maddox.

3. This agreement shall not be construed in any manner to constitute a joint venture, mining partnership or any other business relationship. Maddox shall have no liability to third parties arising out of or in connection with the operations being conducted by U. S. for the exploration, development or production of any oil and gas and U. S. at all times shall indemnify and hold Maddox harmless from any liability for personal injury or property damage to third parties arising out of or in connection with said operations being conducted by U. S.

4. It is understood between the parties that two wells have been drilled for oil and gas situated upon the property and designated with the Oil Conservation Commission of New Mexico as Well 27-B in the NW/4 NW/4 of Section 27, Township 28 North, Range 1 East, and Well 11-N in Section 11, Township 28 North, Range 1 East, Rio Arriba County, New Mexico. As part of the consideration of this agreement, U. S. agrees at its sole expense to, immediately upon the execution of this agreement, comply with the regulations of the Oil Conservation Commission of the State of New Mexico pertaining to the plugging of said wells. The parties hereto agree to execute such instruments as may be required by the Oil Conservation Commission showing that U. S. is the operator of said wells and subject to the plugging regulations under the Laws of the State of New Mexico. There is no obligation imposed upon U. S. by this agreement to re-enter said wells and test same for oil and gas but U. S. may in its sole discretion and expense do so.

5. Maddox grants to U. S. the exclusive right to explore, search, develop and produce any oil and gas situated under the El Poso Ranch upon minerals owned by Maddox subject, however, to the following:

A. The term of this agreement shall remain in full force and effect so long as U. S. drills a well for oil and gas as follows:

- (1) First year - one well;
- (2) Second year - a minimum of two wells;
- (3) Third year - a minimum of four wells;

(4) Each year after the third year - a minimum of four wells.

- B. Each well drilled as above set forth (after the first well) shall be of sufficient depth to test a zone that has heretofore been proved to be producing or, if no production has been found, at least 100 feet below the deepest well that has previously been drilled, unless salt, cavity, heaving shale, rock strata, abnormal pressure, blowout, or some other condition (whether of the same or different nature) is encountered at a lesser depth making further drilling impossible or impractical with ordinary rotary drilling methods.
- C. Upon notification by U. S. to Maddox of the location in which U. S. will cause to be drilled at their expense a test well for oil and gas, Maddox agrees to execute and deliver an oil and gas lease on the terms and conditions as set forth in Exhibit "A" attached hereto, such lease to cover 160 contiguous mineral acres, as designated by U. S., and providing for a 3/16 royalty for as long as oil and gas is produced from the property.
- D. It is agreed that the use of the word "year" in this paragraph shall mean a calendar year, being January 1 to December 31.
- E. Failure of U. S. to timely drill any well under the terms of Section A hereof shall not terminate nor otherwise affect any lease under Section C hereof, so long as such lease is continued in effect through production, it being understood that U. S. has the right to terminate this agreement (as to tracts not then held by production) at any time for failure to timely drill any well specified in Section A, without liability upon U. S.

6. Maddox will provide convenient ingress and egress to well locations, and U. S. agrees to pay to Maddox the sum of \$500 for each well location made by U. S. for a period of three years. After the three-year period, the location damage will be increased 5% of \$500 for each year that this agreement is in effect. Said location damage shall include the right of U. S. to use the water situated on the property for drilling and completion purposes only. In the event a tank battery is not installed on the drilling location, U. S. agrees to pay an additional \$500 for any easement required by U. S. for the installation of a tank battery at a different location, with connections from the battery to the well. In the event, however, the tank battery is installed on the location pad, there shall be no additional sums due Maddox.

7. Maddox at his expense shall cause to be obtained abstracts of title showing ownership of the minerals in Maddox; provided, however, that the title examination of said minerals will be at the sole expense of U. S. In the

event of failure of title of at least 50% of said minerals, U.S. at its option may terminate this agreement. In the event there are meritorious objections to title of said minerals, Maddox will, at his expense, use his best efforts to obtain clear title thereto. In the event Maddox fails to do so, U. S. may at its option and at its expense attempt to clear any title objections.

8. Maddox will, contemporaneously with the execution of this agreement, irrevocably designate a person or corporation to execute such oil and gas leases herein contemplated in the event Maddox becomes incapacitated and is unable to execute said oil and gas leases and shall appoint a person or corporation with full authority to be binding upon the estate of Maddox with the right to execute such oil and gas leases as provided for in this agreement.

9. This agreement is binding upon the heirs, administrators, executors, legal representatives, successors and assigns of the parties hereto.

10. For the purpose of notifying either party for breach of any agreement herein contained, the following addresses shall be sufficient, unless and until changed by written notice:

Dr. W. A. Maddox
Post Office Box 1628
Amarillo, Texas

U. S. Resources, Inc.
4560 Belt Line Road, Suite 300
Dallas, Texas 75240

11. The foregoing agreement constitutes the complete agreement between the parties and no amendment or agreement shall be effective unless in writing.

WITNESS the hands of the parties hereto the day and year first above written.

W. A. Maddox
W. A. Maddox

Frances Maddox
Frances Maddox

W. A. Maddox
W. A. Maddox, Trustee

U. S. Resources, Inc.

By: Max Williams
President

Attest:

Secretary

STATE OF TEXAS)
COUNTY OF Patterson) SS.

The foregoing instrument was acknowledged before me this the 27th day of January, 1978, by W. A. Maddox and his wife, Frances Maddox, and by W. A. Maddox, Trustee.

Marian Branch
Notary Public

My Commission Expires:
7-7-79

STATE OF TEXAS)
COUNTY OF Dallas) SS.

The foregoing instrument was acknowledged before me this the 18th day of January, 1978, by Max Williams, President of U. S. Resources, Inc., a corporation, on behalf of said corporation.

Theresa G. Golden
Notary Public

My Commission Expires:
June 1978

OIL AND GAS LEASE

AGREEMENT, Made and entered into this..... day of....., 19..78,
by and between Dr. W. A. Maddox, individually and as Trustee of the Dr. W. A. Maddox Trust, joined by his wife, Frances Maddox,

..... Party of the first part, hereinafter called lessor (whether one or more) and
U. S. Resources, Inc., a corporation,..... Party of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of -----Ten and No/100----- DOLLARS cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, as granted, demised, leased, and let and by these presents does grant, demise, lease and let unto the said lessee, for the sole and only purpose of mining and operating for oil and gas, and laying pipe lines, and building tanks, powers, stations and structures thereon to produce, save and take care of said

products, all that certain tract of land situate in the County of Rio Arriba, State of New Mexico, described as follows, to-wit:
The tract of land described in Exhibit B attached hereto for all purposes and more a part thereof for all purposes.

of Section..... Township..... Range..... and containing..... acres, more or less.

It is agreed that this lease shall remain in force for a term of ~~ten~~ 90 days from date, and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee.

In consideration of the premises the said lessee covenants and agrees:

FIRST. The lessee shall deliver to the credit of lessor as royalty, free of cost in the pipe line to which lessee may connect its wells, the equal ~~part~~ ^{3/16} of all oil produced and saved from the leased premises, or, at lessee's option, may buy or sell such ~~oil~~ ^{oil} royalty and pay lessor the market price for oil of like grade and gravity prevailing in the field on the day such oil is run into pipe lines or into storage tanks. ~~An additional 1/6~~
~~royalty shall be paid after lessee recovers costs of drilling and re-working.~~

TO pay lessor for gas from each well where gas only is found, the equal ~~part~~ ^{3/16} of the gross proceeds at the prevailing market rate, for all gas used off the premises, said payments to be made quarterly and lessor to have gas free of cost from any such well for all stoves and all inside lights in the principal dwelling house on said land during the same time by making his own connections with the well at his own risk and expense.

TO pay lessor for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gasoline or dry commercial gas, ~~the equal part~~ ^{3/16} of the gross proceeds at the prevailing market rate for the gas during which time such gas shall be used, said payments to be made quarterly.

If no well be commenced on said land on or before the..... day of....., 19.., this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor or to the lessor's credit in the

Bank at..... or its successor or successors or any bank with which it may be merged, or consolidated, or which succeeds to its business or assets or any part thereof, by purchase or otherwise, which shall continue as the depository regardless of changes in the ownership of the said land, the sum of

..... DOLLARS, which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively. And it is understood and agreed that the consideration first recited therein, the down payment, covers not only the privileges granted to date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid and any and all other rights conferred. Delay rentals and tenders and all other payments or tenders herein authorized or required may be made in currency, by check or draft of lessee payable to lessor by depositing such currency, check or draft in any postoffice on or before the due date, in an envelope with sufficient postage thereon, addressed to lessor or the depository bank. Notwithstanding the death of the lessor, or his successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors and administrators of such person.

Should the first well drilled on the above described land be a dry hole or cease to produce, then and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payment of rentals, as before provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, ~~except water from wells of lessor.~~

When requested by the lessor, lessee shall bury his pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall pay for damages caused by its operations to growing crops on said lands.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years herein, first mentioned.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a certified copy thereof. In the event of the death of lessor or his successor in title, any rental payment which may be made hereunder shall be deposited in the depository bank to the credit of the estate of such deceased lessor or his successor in title until lessee shall have been furnished with certified copies of all muniments of title deraigning title from such deceased lessor or successor in title to the person succeeding to such interest. ~~And it is hereby agreed in the event this lease shall be assigned as to a part or parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands which the said lessee or any assignee thereof shall make due payment of said rentals. An assignment of this lease, in whole or in part, shall as to the extent of such assignment relieve and discharge the lessee of all obligation hereunder.~~

Compliance with any now or hereafter existing act, bill or statute purporting to be enacted by any Federal or State legislative authority, or with orders, judgments, decrees, rules, regulations made or promulgated by State or Federal courts, State or Federal offices, boards, commissions or committees purporting to be made under authority of any such act, bill or statute, shall not constitute a violation of any of the terms of this lease or be considered a breach of any clause, obligation, covenant, undertaking, condition or stipulation contained herein, nor shall it be or constitute a cause for the termination, forfeiture, revision or revesting of any estate or interest herein and hereby created and set out, nor shall any such compliance confer any right of entry or become the basis of any action for damages or suit for the forfeiture or cancellation hereof; and while any such purport to be in force and effect they shall, when complied with by lessee or assigns, to the extent of such compliance operate as modifications of the terms and conditions of this lease where inconsistent therewith.

Lessee may at any time surrender this lease, in whole or in part, by delivering or mailing a release to the lessor, or by placing a release of record in the proper county.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgage, taxes or other liens on the above described lands in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

IN TESTIMONY WHEREOF, we sign the day and year first above written.

(SEAL)

(SEAL)

(SEAL)

(SEAL)

(SEAL)

(SEAL)

(SEAL)

(SEAL)

LORENZO E. TAPIA
MIGUEL P. CAMPOS
JOHN R. TIWALD
—
ASSOCIATE IN SANTA FE
CHARLES S. SOLOMON

LAW OFFICES OF
TAPIA & CAMPOS
SUITE 1805 WESTERN STATE BANK BUILDING
505 MARQUETTE, N.W.
ALBUQUERQUE, NEW MEXICO 87102

TELEPHONE 243-2869
AREA CODE 505

March 13, 1973

Mrs. Susie M. Montoya,
Clerk of the District Court
First Judicial District
Post Office Box 2268
Santa Fe, New Mexico 87501

RE: Oil Conservation Commission, et al.
v. Texanaco Oil Corporation,
Bio Arriba County No. 12560

Dear Mrs. Montoya:

Enclosed please find for filing Answers to Interrogatories propounded to defendant reference the above-captioned and numbered cause. By copy of this letter to opposing counsel, I am also forwarding a copy of said pleading.

Thank you.

Very truly yours,

TAPIA & CAMPOS

/s/ Lorenzo E. Tapia

By: LORENZO E. TAPIA

LET:lej
Enclosure

cc:w/enc. Lynn Teschendorf, Esquire ✓

C
O
P
Y

STATE OF NEW MEXICO

COUNTY OF RIO ARRIBA

IN THE DISTRICT COURT

THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO,

Plaintiff,

-vs-

No. 12506

TAMANACO OIL CORPORATION,
a corporation,

Defendant.

ANSWERS TO INTERROGATORIES

Comes now H. K. Riddle and answers under oath, for the Defendant Tamanaco Oil Corporation, Interrogatories propounded by Plaintiff, as follows:

1. State the name, address and position with Defendant of the person furnishing the answers to these Interrogatories.

A. H. K. Riddle, President, Rt. 5, Box 5466, Albuquerque, N.M. 87123.

2. Are you now or have you ever been the lessee, of oil and gas or for any purpose whatsoever, of lands included in the NW/4 NE/4 of Section 27, and the SE/4 SW/4 of Section 11, both in Township 28 North, Range 1 East, N.M.P.M., Rio Arriba County, New Mexico?

A. Yes.

3. If so, please give:

- a. name and address of the lessor,
- b. date of execution of the lease or leases,
- c. exact legal description of the acreage leased,

d. date the lease(s) expired, and

e. type of lease.

A. a. Dr. W. A. Maddox, Amarillo, Texas

b. 1961

c. as shown above, plus other acreage within a
40,000 acre ranch

d. 1963

e. Oil and gas.

4. If so, did the Defendant drill any wells on this
acreage?

A. Yes, a well on each of the 40 acres described above.

5. For each well, please state:

a. the name and location of the well,

b. the dates for each well of spudding and completion,

c. results of any potential tests taken,

d. all completion data, including but not limited to,
total depth, plug back total depth, producing intervals, the
casing record for all strings set in each well (casing size,
weight lb./ft., depth set, hole size, cementing record, amount
pulled), liner and tubing records, perforation record, date of
first production, current well status.

A. a. 27B and 11N (in Sec. 27. 27B, center of the
MW1/4 NE1/4) and (11N 2080' from West line of Section 11 and
680' N. of So. line.)

b. 27 B in July of 1961 and 11 N, August, 1962.

c. 11 N made, and still will pump, 3 to 4 bbls of oil
per day. 27 B made 300,000 feet of gas.

d. The wells were tested as above shown, and 27 B. shut in and valve locked. 11 N was pumped. Depth of 11 N was 1427', 27 B drilled and pipe set to 908'. 10" surface pipe to 60 feet cemented in each well, 5 1/2" production string in both wells. 7". No casing has been pulled. Shut in.

6. Were the wells ever produced?

A. 11N only was produced for short periods several times, last in 1976.

7. If so, please state:

- a. total production,
- b. date of last production.

A. a. About 100 bbls., last time about 20 bbls.
b. 1976.

8. Did the Defendant ever receive notice of the Commission's examiner hearing held June 20, 1973?

A. Yes.

9. If so, please state:

- a. The nature of the notice,
- b. the name and address of the person receiving said notice,
- c. The date on which the notice was received.

A. I am unable to answer this question.

10. Following the issuance of Commission Orders Nos. R-4575 and R-4576, were any efforts made by Defendant to comply with these Orders?

A. Yes.

11. If so, please describe all such efforts, including names and addresses of contractors contacted, the dates of such contacts, and the results of such contacts.

A. Many times through the years I have called R. L. Bayless and two other well pluggers in Farmington, all there are; and they always reply that they are too busy to go away from the Basin area.

12. Were you or are you now the owner and operator of the Pound Ranch "B" Well No. 27 located in Unit B, Section 27, and the El Poso Ranch "N" Well No. 11 located in Unit N of Section 11, both in Township 28 North, Range 1 East, Rio Arriba County, New Mexico?

A. We were the owners but are not now.

13. Did you ever sell these wells?

A. No.

14. If so, please state:

- a. the name and address of the purchaser,
- b. the date of purchase,
- c. the amount paid.

A. Not applicable.

15. To your knowledge, is there any fresh water underlying Sections 11 and 27 in Township 28 North, Range 1 East?

A. Yes, above 60 feet; no other.

16. For each well described in Interrogatory No. 4, please describe the complete formation record, including depth of formation tops, oil or gas sands or zones, and any water sands.

A. Mancos extends from the surface in both wells all the

way down and beyond the depths drilled.

17. If you will do so without an order to produce documents, please attach the following to your answers to these Interrogatories:

a. a copy of the lease(s) described in Interrogatory No. 2.

A. I do not now have the leases, long ago expired, and lost.

H. K. RIDDLE

SUBSCRIBED AND SWORN TO before me this 10th day of

March, 1978.

Notary Public
NOTARY PUBLIC

My Commission Expires:

9/29/78

LAW OFFICES OF
TAPIA & CAMPOS

Attorneys for Defendant
1805 Western Bank Building
505 Marquette, N. W.
Albuquerque, N.M. 87102
(505) 243- 2869

I hereby certify that I did mail
a true copy of the foregoing
Answers to Interrogatories to
opposing counsel of record this
10 day of March, 1978.

IN THE DISTRICT COURT OF RIO ARriba COUNTY
STATE OF NEW MEXICO

THE OIL CONSERVATION COMMISSION)	
OF THE STATE OF NEW MEXICO,)	
)	
Plaintiff,)	
)	
vs.)	No. 12506
)	
TAMANACO OIL CORPORATION,)	
a corporation,)	
)	
Defendant.)	

RESPONSE TO MOTION

Comes now Plaintiff New Mexico Oil Conservation Commission, by and through its Attorney Lynn Teschendorf, and respectfully asks the Court to limit Defendant's time for answering the Interrogatories propounded in this cause to ten days, and as grounds therefore states:

1. That Interrogatories in this cause were mailed to Defendant's attorney of record on January 16, 1978.
2. That more than fifteen days have elapsed since the service of the Interrogatories, and the Answers have not been served in return.
3. That failure to complete discovery before February 4, 1978, violates the Court's Order specified in its letter dated January 4, 1978, a copy of which is attached hereto as Exhibit A and by this reference is incorporated.
4. That Plaintiff has made a Motion to Compel Discovery, which was mailed to Defendant on February 15, 1978, and to which

Defendant has not responded as of this date.

NEW MEXICO OIL CONSERVATION COMMISSION

By Lynn Teschendorf
LYNN TESCHENDORF
P. O. Box 2088
Santa Fe, New Mexico 87501

I hereby certify that on the
27th day of Feb
1978, a copy of the
above pending case was
deposited in the
approving counsel of record.
Lynn Teschendorf
.....

LORENZO E. TAPIA
MIGUEL P. CAMPOS
JOHN R. TIWALD

ASSOCIATE IN SANTA FE
CHARLES S. SOLOMON

LAW OFFICES OF
TAPIA & CAMPOS
SUITE 1805 WESTERN STATE BANK BUILDING
505 MARQUETTE, N.W.
ALBUQUERQUE, NEW MEXICO 87102

TELEPHONE 243-2869
AREA CODE 505

February 17, 1978

*Rec'd 2-20-78
LS*

Clerk of the District Court
First Judicial District
County of Rio Arriba
Santa Fe County Courthouse
Santa Fe, New Mexico 87501

RE: Oil Conservation Commission
vs. Tamanaco Oil Corporation
Rio Arriba County No. 12506


Dear Madam:

Enclosed please find for filing a Motion for and on behalf of defendant in the above-captioned and numbered matter. By copy of this letter, I am also forwarding to opposing counsel a copy of said pleading.

Thank you.

Very truly yours,

TAPIA & CAMPOS

By:  LORENZO E. TAPIA

LET:lej
Enclosure

cc:w/enc. Lynn Teschendorf,
General Counsel
State of New Mexico

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STATE OF NEW MEXICO

COUNTY OF RIO ARRIBA

IN THE DISTRICT COURT

THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO,

Plaintiff,

vs.

No. 12506

TAMANACO OIL CORPORATION,
a Corporation,

Defendant.

M O T I O N

COMES NOW the defendant, by its attorneys, and moves the Court to grant defendant a reasonable time to respond to the interrogatories propounded by plaintiff upon the grounds that H.A. Riddle, President of Tamanaco Oil Corporation, is out of the County and has been unable to answer since said interrogatories were propounded and this office is currently trying to determine his whereabouts ; that defendant lives in Albuquerque, New Mexico, and this attorney, has on numerous occasions, tried to contact him personally and by phone and has been to his home and no one is presently there and the neighbors inform me that he is out of the County and has been for an extended period of time; that defendant has a meritorious defense and counsel should be granted time to locate defendant to answer said interrogatories.

WHEREFORE, defendant's counsel prays for a reasonable time to locate said defendant to answer said interrogatories and for such other and further relief as the Court may deem just and proper in the premises.

LAW OFFICES OF
TAPIA & CAMPOS

By: /s/ Lorenzo E. Tapia
Attorney for Defendant
Suite 1305, Western Bank Building
505 Marquette Avenue, N.E.
Albuquerque, New Mexico 87102
Telephone: (505) 243-8869

THIS WILL CERTIFY that a copy of the foregoing pleading was mailed to all counsel of record this 17th day of February, 1978.

/s/ Lorenzo E. Tapia

IN THE DISTRICT COURT OF RIO ARriba COUNTY

STATE OF NEW MEXICO

THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO,

Plaintiff,

vs.

TAMANACO OIL CORPORATION,
a corporation,

Defendant.

No. 12506

MOTION TO COMPEL DISCOVERY

Comes now Plaintiff New Mexico Oil Conservation Commission by and through its attorney, Lynn Teschendorf, and hereby moves the Court for an Order compelling Defendant, pursuant to Rule 37 of the New Mexico Rules of Civil Procedure, to answer Interrogatories submitted in this cause, and in support thereof states:

1. That Interrogatories in this cause were mailed to Defendant's attorney of record on January 16, 1978.

2. That more than fifteen days have elapsed since the service of the Interrogatories, and the Answers have not been served in return.

3. That failure to complete discovery before February 4, 1978, violates the Court's Order specified in its letter dated January 4, 1978, a copy of which is attached hereto as Exhibit A and by this reference is incorporated.

NEW MEXICO OIL CONSERVATION COMMISSION

By

LYNN TESCHENDORF
Assistant Attorney General
P. O. Box 2088
Santa Fe, New Mexico 87501

154 Feb. 78

Lynn Teschendorf



State of New Mexico
First Judicial District

CHAMBERS OF
BRUCE E. KAUFMAN
DISTRICT JUDGE
DIVISION IV

January 4, 1978

POST OFFICE BOX 2268
SANTA FE, N. M. 87501
AREA CODE 505
TELEPHONE 827-2101

TAPIA AND CAMPOS
Law Office
1305 Western Bank Building
505 Marquette, N.W.
Albuquerque, New Mexico 87102

Ms. Lynn Teschendorf
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: The Oil Conservation
Commission v. Tamanaco
Oil Corporation, Cause
No. 12506

Gentleman and Ms. Teschendorf:

The court has reviewed the motions filed in this cause in an annual review of litigation pending and feels required to rule without necessity of further hearing on the substance of the motions as filed.

When this cause was assumed from Division II a new calendar was constructed and because of the press of emergency matters certain matters moved for hearing were not able to be heard on their merits prior to expiration of certain times prescribed

EXHIBIT A

Page 2

To: Tapia and Campos

Ms. Lynn Teschendorf

January 4, 1978

for such hearings.

The inability to get the matter to hearing as I view this cause as strictly that of the courts and neither that of the plaintiff or defendant. It appears further that the discovery timely sought by the petitioner has not been duly afforded and therefore the court will order that all discovery herein be completed within thirty (30) days from this date and the Motion to Dismiss based on the timeliness of the state's proceeding will be pursuant to Rule 41(E) will at this time be denied.

The counsel for the plaintiff will be directed to prepare an Order and submit it to counsel for review reflecting the above findings then submit it to the court within seven (7) days from the receipt of this letter.

Very truly yours,

Bruce E. Kaufman, District Judge

BRUCE E. KAUFMAN
DISTRICT JUDGE

BEK:maf

IN THE DISTRICT COURT OF RIO ARriba COUNTY
STATE OF NEW MEXICO

THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO,

Plaintiff,

vs.

TAMANACO OIL CORPORATION,
a corporation,

Defendant.

No. 12506

INTERROGATORIES

Plaintiff, New Mexico Oil Conservation Commission, by and through its attorney, Lynn Teschendorf, respectfully requests that Defendant Tamanaco Oil Corporation answer the following Interrogatories under oath, pursuant to the New Mexico Rules of Civil Procedure within fifteen (15) days from the date of service of these Interrogatories upon its attorney.

1. State the name, address and position with Defendant of the person furnishing the answers to these Interrogatories.

2. Are you now or have you ever been the lessee, of oil and gas or for any purpose whatsoever, of lands included in the NW/4 NE/4 of Section 27, and the SE/4 SW/4 of Section 11, both in Township 28 North, Range 1 East, N.M.P.M., Rio Arriba County, New Mexico?

3. If so, please give:

- a. name and address of the lessor,
- b. date of execution of the lease or leases,
- c. exact legal description of the acreage leased,
- d. date the lease(s) expired, and
- e. type of lease.

4. If so, did the Defendant drill any wells on this acreage?

5. For each well, please state:

- a. the name and location of the well,
- b. the dates for each well of spudding and completion,
- c. results of any potential tests taken,
- d. all completion data, including but not limited to, total depth, plug back total depth, producing intervals, the casing record for all strings set in each well (casing size, weight lb./ft., depth set, hole size, cementing record, amount pulled), liner and tubing records, perforation record, date of first production, current well status.

6. Were the wells ever produced?

7. If so, please state:

- a. total production,
- b. date of last production.

8. Did the Defendant receive notice of the Commission's examiner hearing held June 20, 1973?

9. If so, please state:

- a. the nature of the notice,
- b. the name and address of the person receiving said notice,
- c. the date on which the notice was received.

10. Following the issuance of Commission Orders Nos. R-4575 and R-4576, were any efforts made by Defendant to comply with these Orders?

11. If so, please describe all such efforts, including names and addresses of contractors contacted, the dates of such contacts, and the results of such contacts.

12. Were you or are you now the owner and operator of the Pound Ranch "B" Well No. 27 located in Unit B, Section 27, and the El Foso Ranch "N" Well No. 11 located in Unit N of Section 11, both in Township 28 North, Range 1 East, Rio Arriba County, New Mexico?

13. Did you ever sell these wells?

14. If so, please state:

- a. the name and address of the purchaser,
- b. the date of purchase,
- c. the amount paid.

15. To your knowledge, is there any fresh water underlying Sections 11 and 27 in Township 28 North, Range 1 East?

16. For each well described in Interrogatory No. 4, please describe the complete formation record, including depth of formation tops, oil or gas sands or zones, and any water sands.

17. If you will do so without an Order to Produce Documents, please attach the following to your answers to these Interrogatories:

- a. a copy of the lease(s) described in Interrogatory No. 2.

NEW MEXICO OIL CONSERVATION COMMISSION

BY Lynn Teschendorf
LYNN TESCHENDORF
Assistant Attorney General
P. O. Box 2088
Santa Fe, New Mexico 87501

I hereby certify that the
above is a true and correct
copy of the original
as filed with the
advising counsel of record
Lynn Teschendorf

STATE OF NEW MEXICO

COUNTY OF RIO ARriba

IN THE DISTRICT COURT

THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO,

Plaintiff,

vs.

No. 12506

TAMANACO OIL CORPORATION,
a corporation,

Defendant.

ORDER

This matter having come before the Court upon the Motion of Defendant to Dismiss, and the Court being sufficiently advised in the premises,

IT IS ORDERED that, due to the Court's inability to timely set this matter on its calendar for hearing, Defendant's Motion is hereby denied.

IT IS FURTHER ORDERED that all discovery herein be completed on or before February 4, 1978.

DISTRICT JUDGE

APPROVED:

LYNN TESCHENDORF
Attorney for Plaintiff

TAPIA & CAMPOS
Attorneys for Defendant

*Not filed
2-15-78*

IN THE DISTRICT COURT OF RIO ARriba COUNTY

STATE OF NEW MEXICO

THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO,

Plaintiff,

vs.

No. 12506

LANANACO OIL CORPORATION,
a corporation,

Defendant.

RESPONSE TO MOTION TO DISMISS

Comes now the Plaintiff, New Mexico Oil Conservation Commission, by and through its attorney, Lynn Teschendorf, and respectfully asks the Court to deny Defendant's Motion to Dismiss, and as grounds therefore states:

1. The Plaintiff has made repeated attempts to reach a solution acceptable to all parties, all of which have been ignored by Defendant. The most recent attempt was made by letter dated November 3, 1976, a copy of which is attached hereto as Exhibit A and by this reference is incorporated.

2. The conservation of the State's natural resources is at stake, since the dangers inherent in leaving these wells unplugged include possible loss of hydrocarbons and contamination of fresh waters, constituting a threat to the public welfare.

3. If the Court should dismiss this case, it should be without prejudice. Section 65-3-27(b), N.M.S.A. 1953 Compilation, provides that violations of Oil Conservation Commission rules, regulations and orders are continuing ones, and therefore a new lawsuit can and will be filed.

WHEREFORE, Plaintiff prays the Order of this Court.

I hereby certify that on this
4th day of November
1977, I have read the
pleading and the
opposing counsel of record.
Lynn Teschendorf

NEW MEXICO OIL CONSERVATION COMMISSION
BY Lynn Teschendorf
LYNN TESCHENDORF
P. O. Box 2088
Santa Fe, New Mexico

STATE OF NEW MEXICO

COUNTY OF RIO ARriba

IN THE DISTRICT COURT

THE OIL CONSERVATION COMMISSION
of the STATE OF NEW MEXICO,

Plaintiff,

vs.

No. 12506

TANANACO OIL CORPORATION,
A Corporation,

Defendant.

MOTION TO DISMISS

Came by the defendant Tananaco Oil Corporation by its attorney's TAPIA & CAMPOS, and moves to dismiss Plaintiff's complaint for failure to comply with the provisions of Rule 41(F) New Mexico Rules of Civil Procedure, in that Plaintiff has taken no action to bring the above cause for trial within the three (3) year period specified in Rule 41(F).

WHEREFORE, Defendant prays that Plaintiff's complaint be dismissed with prejudice.

LAW OFFICES OF
TAPIA & CAMPOS

By [Signature]
1805 Western Bank Building
505 Marquette, N. M.
Albuquerque, New Mexico 87102

I hereby certify that on the
27 day of March
1977 a copy of the foregoing
pleading was mailed to opposing
counsel of record.

[Signature]

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 8, 1976

Mr. Lorenzo E. Tapia
Suite 1805 Western Bank Building
505 Marquette, N.W.
Albuquerque, New Mexico 87101

Re: New Mexico Oil Conservation
Commission v. Tamanaco Oil
Corporation, Rio Arriba
County Cause No. 12506

Dear Mr. Tapia:

According to Oil Conservation Commission files, this case is still open and pending. If possible, I would like to take steps to get this matter concluded. Apparently, Mr. Bob Grim has abandoned his attempts to either plug the subject wells or take over the lease. Therefore, Tamanaco and its surety are still responsible for compliance with the Commission's Order No. R-4575. Should Dr. Maddox still refuse entry on his land for plugging these wells, you might advise him of the fact that a bill entitled the Oil and Gas Reclamation Act will be introduced in this session of the legislature that would allow the Commission itself to enter and accomplish the plugging.

I would appreciate your advice on the current status of this case from your client's viewpoint.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/dr

cc: Mr. Robert E. Huffman
CNA Insurance

Exhibit A

IN THE DISTRICT COURT OF RIO ARriba COUNTY
STATE OF NEW MEXICO

THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO,

Plaintiff,

vs.

ELAMINACO OIL CORPORATION,
a corporation,

Defendant.

No. 12506

ENTRY OF APPEARANCE

Comes now the undersigned attorney and hereby enters her
appearance on behalf of Plaintiff New Mexico Oil Conservation
Commission.

TONEY ANAYA
Attorney General

By

LYNN TESCHENDORF
Assistant Attorney General
P. O. Box 2088
Santa Fe, New Mexico 87501

I hereby certify that on the
. 1st... day of November
1976... a copy of the fore-
going pleading was mailed to
opposing counsel of record.

.....

IN THE DISTRICT COURT OF RIO ARriba COUNTY

STATE OF NEW MEXICO

THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO,

Plaintiff,

vs.

SAVING OIL CORPORATION,
a corporation,

Defendant.

No. 12306

LETTER OF INTRODUCTION

Whereas now the undersigned attorney and hereby declare for
appearance on behalf of the State of New Mexico Oil Conservation
Commission.

I, the undersigned,
do hereby certify that

By S/ Lynn Teschendorf
LYNN TESCHENDORF
Assistant Attorney General
P. O. Box 2036
Santa Fe, New Mexico 87501

I hereby certify that on the
. 1st . . day of November,
19. 76 . . , a copy of the fore-
going pleading was mailed to
opposing counsel of record.

S/ Lynn Teschendorf
.....

A G R E E M E N T

THIS AGREEMENT made this the _____ day of May, 1974 between Dr. W. A. Maddox and his wife, Frances Maddox, and Dr. W. A. Maddox, as Trustee, hereinafter called Maddox, and Bob Grim and his wife, Molly Grim, hereinafter called Grim, WITNESSETH:

WHEREAS, Maddox is the owner of the minerals under a portion of the ranch known as the El Poso Ranch situated in Rio Arriba County, New Mexico, and

WHEREAS, Grim desires to explore, drill and produce oil and gas from minerals owned by Maddox, and

WHEREAS, the parties desire to enter into an agreement whereby Grim at his sole expense and liability may explore, develop and produce oil and gas.

NOW, THEREFORE, it is mutually agreed as follows:

1. The subject matter of this agreement consists of the minerals owned by Maddox situated under the El Poso Ranch, a copy of said ranch plat being made a part hereof as if set out in full herein, being the portion marked in red attached hereto. That the exhibit being made a part hereof is a part of that certain preliminary map 78 (1957) prepared by the United States Department of Interior, Geological Survey, the original of said map being in the possession of J. W. Neal in Hobbs, New Mexico, it being the intention of the parties that said map shall be used by the parties in determining the descriptions as hereinabove provided.

2. This agreement shall not be construed in any manner to constitute a joint venture, mining partnership nor shall Maddox have any liability to third parties hereunder for any exploration, producing or development of oil and gas and Grim shall at all times maintain sufficient amounts of insurance to indemnify and hold Maddox harmless from any liability for personal injuries or property damage in connection herewith.

3. It is agreed between the parties that at the present time there are two wells situated upon the property and on file with the Oil Conservation Commission in Santa Fe, one being Well 27-B situated in the NW/4 NW/4 of Section 27, Township 28 North, Range 1 East, and Well 11-N situated in Section 11, Township 28 North, Range 1 East in Rio Arriba County. As part of the consideration of this agreement, Grim shall immediately upon the execution of this agreement enter upon the premises and test said wells to ascertain whether or not said wells are capable of producing oil or gas in paying quantities. In the event said wells are not capable of producing oil or gas in paying quantities, Grim shall immediately plug said wells at his sole expense in accordance with the regulations of the Oil Conservation Commission of the State of New Mexico. That simultaneous with the execution of this agreement, Maddox agrees to execute an oil and gas lease covering 40 acres under each well above described for a period not to exceed 90 days upon the form oil and gas lease attached hereto and made a part hereof. Grim shall upon the execution of this agreement file with the Oil Conservation Commission as operator of said wells and comply with their regulations pertaining to plugging bonds and the other rules and regulations. In the event Grim fails to enter upon the premises and test said wells for oil or gas within a period of 90 days from the date of this agreement, then this agreement shall have no further force or effect, provided, however, that Grim shall have the responsibility and liability of plugging said wells, free of any cost of any kind or character to Maddox.

4. Upon entry by Grim to test Wells 27-B and 11-N and the completion of such tests and the determination of whether or not oil or gas can be produced in paying quantities, Maddox grants to Grim an option to select an additional 40 acre tract

for the drilling of additional oil or gas wells. It is specifically agreed between the parties that this continuing option to obtain additional acres is contingent upon continuous drilling and development of the property and that Grim shall have the responsibility of drilling four wells during the period between April 15 and October 1 of each year. In the event Grim fails during such period to drill four wells, then this agreement shall terminate as to all of the remaining acreage and the parties shall have no responsibility, one to the other thereafter.

5. In the event of production under any well tested or drilled by Grim, the royalties shall be $\frac{3}{16}$ plus an additional $\frac{1}{64}$ after Grim has recovered his actual costs of drilling upon each 40 acre tract. Upon the completion of an oil or gas well in paying quantities upon each 40 acre tract, Maddox agrees to execute an oil and gas lease upon the form attached to this agreement covering said 40 acre tract. Grim shall furnish to Maddox upon the completion of the well, the total cost of said well and upon recovery of that amount of money from the working interest, the $\frac{1}{64}$ shall then be paid. Grim agrees to furnish to Maddox quarterly the total income received by Grim from the operation of said well and shall maintain records whereby Maddox inspects same at any time showing the income received by Grim or any of his assignees from said well. Any assignment made by Grim shall be subject to the $\frac{1}{64}$ override.

6. It is the intention of this agreement that all drilling and exploration shall be upon 40 acre tracts and all exploration, production and development shall be free of cost to Maddox.

7. This agreement and the rights herein conferred shall continue only as long as Grim drills and tests four wells each year during the period from April 15 to October 1.

8. It is specifically understood and agreed that the terms and conditions of the attached oil and gas lease are made a part

of this agreement as if set out in full herein and that all oil and gas leases executed by Maddox in favor of Grim shall be subject to the terms and conditions of this agreement and shall not constitute independent agreements between the parties.

9. This agreement shall be binding upon the heirs, administrators and assigns of the parties hereto.

WITNESS the hands of the parties hereto the day and year first above written.

W. A. Maddox

Frances Maddox

Bob Grim

Molly Grim

STATE OF _____)
COUNTY OF _____) SS.

The foregoing instrument was acknowledged before me this the _____ day of May, 1974 by Dr. W. A. Maddox and his wife, Frances Maddox and by Dr. W. A. Maddox as Trustee.

Notary Public

My Commission Expires: _____

STATE OF _____)
COUNTY OF _____) SS.

The foregoing instrument was acknowledged before me this the _____ day of May, 1974 by Bob Grim and his wife, Molly Grim.

Notary Public

My Commission Expires: _____

OIL AND GAS LEASE

AGREEMENT, Made and entered into this..... day of..... May, 1974.....

by and between Dr. W. A. Maddox, individually and as Trustee of the Dr. W. A. Maddox Trust, joined by his wife, Frances Maddox,

...Party of the first part, hereinafter called lessor (whether one or more) and

Bob Grim _____ Party of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of -----Ten and NO/100----- DOLLARS cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, as granted, demised, leased, and let and by these presents does grant, demise, lease and let unto the said lessee, for the sole and only purpose of mining and operating for oil and gas, and laying pipe lines, and building tanks, povers, stations and structures thereon to produce, save and take care of said products, all that certain tract of land situate in the County of Rio Arriba, State of New Mexico, described as follows, to-wit:

of Section..... Township..... Range..... and containing..... acres, more or less.

It is agreed that this lease shall remain in force for a term of 90 days from date, and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee.

In consideration of the premises the said lessee covenants and agrees:

1/64 In consideration of the premises the said lessee covenants and agrees: 3/16
 FIRST. The lessee shall deliver to the credit of lessor as royalty, free of cost in the pipe line to which lessee may connect its wells, the equal ~~xxxxxx~~
 part of all oil produced and saved from the leased premises, or, at lessee's option, may buy or sell such ~~xxxxxx~~ royalty and pay lessor the ~~xxxxxx~~
 first price for oil of like grade and gravity prevailing in the field on the day such oil is run into pipe lines or into storage tanks. An additional ~~xxxxxx~~
 royalty shall be paid to lessor for gas produced where gas is found, the equal ~~xxxxxx~~ of the gross proceeds at the prevailing market rate,
 for all gas used off the premises, said payments to be made quarterly and lessor to have gas free of cost from any such well for all stoves and all inside lights
 in the principal dwelling house on said land during the same time by making his own connections with the well at his own risk and expense.

Term. To pay lessor for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gasoline or dry commercial gas, ~~3.116%~~ of the gross proceeds at the prevailing market rate for the gas during which time such gas shall be used, said payments to be made quarterly.

11. If no well be commenced on said land on or before the _____ day of _____, 19____, this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor or to the lessor's credit in the

Bank at _____

which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively. And it is understood and agreed that the consideration first recited therein, the down payment, covers not only the privileges granted to date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid and any and all other rights conferred. Delay rentals and tenders and all other payments or tenders herein authorized or required may be made in currency, by check or draft of lessee payable to lessor by depositing such currency, check or draft in any postoffice on or before the due date, in an envelope with sufficient postage thereon, addressed to lessor or the depository bank. Notwithstanding the death of the lessor, or his successor in interest, the payment or tender of rentals in the manner provided above shall be binding on the heirs, devisees, executors and administrators of such person.

Should the first well drilled on the above described land be a dry hole or cease to produce, then and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as heretofore provided. And it is agreed that upon the resumption of the payment of rentals, as before provided, that the last preceding paragraph hereof, governing payment of rentals, and the effect thereof, shall continue in force as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties ~~XXXXXX~~ herein provided shall be paid the lessor only in proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells of lessor.

When requested by the lessor, lessee shall bury his pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall pay for damages caused by its operations ~~xxxxxxx~~ on said lands.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years herein, first mentioned.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a certified copy thereof. In the event of the death of lessor or his successor in title, any rental payment which may be made hereunder shall be deposited in the depository bank to the credit of the estate of such deceased lessor or his successor in title until lessee shall have been furnished with certified copies of all muniments of title derailing title from such deceased lessor or successor in title to the person succeeding to such interest. And it is hereby agreed in the event this lease shall be assigned as to part and the part of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands which the said lessee or any assignee thereof shall make due payment of said rentals. An assignment of this lease, in whole or in part, shall to the extent of such assignment relieve the said lessee of all obligation hereunder.

Compliance with any now or hereafter existing act, bill or statute purporting to be enacted by any Federal or State legislative authority, or with orders, judgments, decrees, rules, regulations made or promulgated by State or Federal courts, State or Federal offices, boards, commissions or committees purporting to be made under authority of any such act, bill or statute, shall not constitute a violation of any of the terms of this lease or be considered a breach of any clause, obligation, covenant, undertaking, condition or stipulation contained herein, nor shall it be or constitute a cause for the termination, forfeiture, revision or revesting of any estate or interest herein and hereby created and set out, nor shall any such compliance confer any right of entry or become the basis of any action for damages or suit for the forfeiture or cancellation hereof; and while any such purport to be in force and effect they shall, when complied with by lessee or assigns, to the extent of such compliance operate as modifications of the terms and conditions of this lease where inconsistent therewith.

Lessee may at any time surrender this lease, in whole or in part, by delivering or mailing a release to the lessor, or by placing a release of record in the proper court.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgage, taxes or other liens on the above described lands in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

IN TESTIMONY WHEREOF, we sign the day and year first above written.

..(SEAL)

..(SEAL)

..(SEAL)

..(SEAL)

..(SEAL)

..(SEAL)

..(SEAL)

..(SEAL)



IN THE DISTRICT COURT OF RIO ARriba COUNTY

STATE OF NEW MEXICO

THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO,

Plaintiff,

vs.

TAMANACO OIL CORPORATION,
a corporation,

Defendant.

No. 12506

REQUEST FOR ADMISSION

TO: Lorenzo E. Tapia, Esq.
Suite 1805 National Building
505 Marquette, N.W.
Albuquerque, New Mexico 87101

The Plaintiff requests that the Defendant answer under oath in accordance with the provisions of Rule 36 of the Rules of Civil Procedure for the District Courts of the State of New Mexico the following request for admission:

1. Is it not a fact that the Defendant has never filed a Form C-115 or C-115-EDP with the Oil Conservation Commission which reflected any production of either oil or gas from either the Pound Ranch "B" Well No. 27, located in Unit B, Section 27, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico, or the El Poso Ranch "N" Well No. 11, located in Unit N of Section 11, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico?

2. Is it not a fact that Defendant received notice of the June 20, 1973, hearing on its wells when Certified-Return Receipt Requested letters with copies attached of the docket of the June 20, 1973, Oil Conservation Commission Examiner Hearing were

delivered to Lorenzo E. Tapia on June 6, 1973, and to Donna Riddle on June 19, 1974?

3. Is it not a fact that the Pound Ranch "B" Well No. 27 and the El Poso Ranch "N" Well have not been plugged and abandoned in accordance with a Commission approved plugging program?

4. Is it not true that the letter which is marked as Exhibit A and attached to this Request for Admission is a true and correct copy of the letter written to the Oil Conservation Commission by Defendant on December 12, 1973?

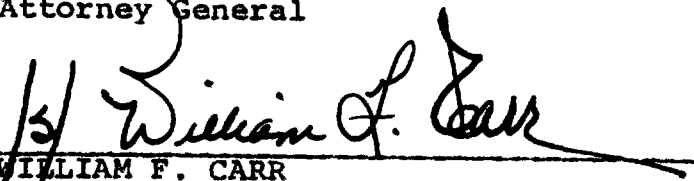
5. Is it not true that the letter which is marked as Exhibit B, and attached to this Request for Admission is a true and correct copy of a letter written to Defendant on December 17, 1973?

6. Is it not true that the letter which is marked as Exhibit C and attached to this Request for Admission is a true and correct copy of a letter written by Defendant to the Oil Conservation Commission on January 15, 1974?

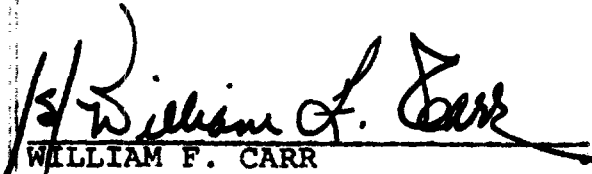
TAKE NOTICE that a copy of your admissions must be served upon the undersigned attorney within fifteen (15) days after service of this request for admission.

DATED: May 30, 1974

DAVID L. NORVELL
Attorney General

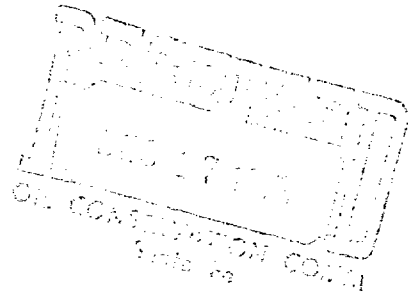

WILLIAM F. CARR
Special Assistant Attorney General
representing the Oil Conservation
Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

I hereby certify that I have mailed a copy of the foregoing
pleading to Lorenzo E. Tapia, opposing counsel of record this
30th day of May, 1974.


WILLIAM F. CARR



Dec. 12, 1973



Oil Conservation Commission
State of New Mexico
Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. William F. Carr, General Counsel

Re: Tamanaco Oil Corp. wells 11N and 27B,
T. 28 N., R. 1 E., Rio Arriba County;
Plugging and abandoning.

Dear Mr. Carr:

We have continuously contacted various well plugging contractors and casing pullers since June of this year to abandon the captioned wells. Two of them are making promises to do the job, but always with the advice of delays. Bedford Inc. of Farmington is now saying that he can do the job 30 to 60 days from now, but last summer he said the same thing, when weather was good. From now on, through the winter, it may become impossible.

I have a contractor friend who has drilled some wells near Chama; Bob Grimm Drilling Co. of Belen, is coming by Sunday and we are going up there to look at the road conditions, etc. He will be moving his rig out of that area soon, and agrees that if he can get onto these locations he will do the job for me. I am afraid that my promises can be no better than the ones I am getting from these various contractors. Grimm has been promising me to do this for two months now, however, I pinned him down at lunch this week and I believe he is going to perform.

I wish to advise you that I pumped the 27 B well, at about 5 bbls per day, not too long ago with some consideration of producing it. It makes no water, and enough gas to fuel the pump engine. Grimm is interested in looking into this possibility, of producing the well and perhaps drilling another. He would abandon the 11 N well for the casing from it. I might add, the 11 N well will make enough gas to supply some industry or homes; is a shut in gas well. With these facts in mind, and since casing is cemented in both wells I can see no big damage they are causing and time is of no particular concern.

Yours very truly,

Tamanaco Oil Corporation

By: H. K. Riddle

cc: CNA/Insurance
Chicago, Illinois.

EXHIBIT A

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

December 17, 1973

Mr. H. K. Riddle
Tamanaco Oil Corporation
Rt. 5, Box 5466
Albuquerque, New Mexico 87112

Re: Tamanaco Oil Corp. Wells 11 N and 27 B,
Township 28 North, Range 1 East, Rio
Arriba County, New Mexico, Plugging
and Abandoning

Dear Mr. Riddle:

I have read with interest your letter of December 12, 1973, in which you outline the efforts you have made to get the above-captioned wells plugged and abandoned, as provided by Oil Conservation Commission Order No. R-4575, a copy of which is attached. I find it curious that you would have such a difficult time getting these plugged when other operators encounter no such problems. Perhaps you should attempt to get some other individuals to plug these wells -- individuals who could give you more reliable promises.

The comments which you made concerning the interest you and Mr. Bob Grimm have in putting the 27 B Well on production, if valid, should have been made before the Commission on June 20, 1973, pursuant to the notice which I sent to you by certified mail on June 7, 1973. I also have a return receipt signed by one Donna Riddle on this letter.

Since you elected not to appear at that hearing, Order No. R-4575 was entered. If you were not satisfied with this order, you had 20 days within which to apply for a rehearing under Section 65-3-22 New Mexico Statutes Annotated 1953. Since you elected not to apply for a rehearing, the order became final on July 19, 1973, and must be obeyed.

As to your statement that "time is of no particular concern.", the following may be of interest to you:

1. Since August 1, 1973, Tamanaco Oil Corporation has been in violation of Commission Order No. R-4575 and liable for penalties for such violation.

EXHIBIT B

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Mr. H. K. Riddle

-2-

December 17, 1973

2. The Commission has received repeated excuses for the operator's failure to obey this order.
3. The Commission made a plugging demand on the surety, Continental Casualty, on September 26, 1973, which was reaffirmed on October 17, 1973.
4. Mr. Riddle's letter of December 12, 1973, is the first written correspondence with the legal division of the Oil Conservation Commission since June, 1973.
5. That on January 7, 1973, at 10:00 a.m. the Oil Conservation Commission intends to file a complaint in District Court naming Tamanaco Oil Corporation, H. K. Riddle and CNA Insurance as defendants, seeking compliance with Oil Conservation Commission Order No. R-4575, performance under the Tamanaco \$10,000 Plugging Bond and all appropriate fines. (Section 65-3-27 (b) N.M.S.A., 1953, provides for fines of up to \$1,000 per day for each day a Commission order is violated.)

It appears to me, that unlike the representation in your letter of December 12, 1973, time is of particular concern -- particularly to you and Tamanaco Oil Corporation. The Commission does not appreciate either your repeated excuses concerning the plugging of these wells nor the attitude of your letter of December 12 in which you determine that these wells, in their present condition, are causing no damage and that time is of no particular concern.

I trust you will promptly take care of this matter. When you plug these wells you must first contact our Aztec office so that a Commission representative can be present to witness the plugging. You may direct any further questions to me or to Mr. Al Kendrick in the Aztec office.

Sincerely,

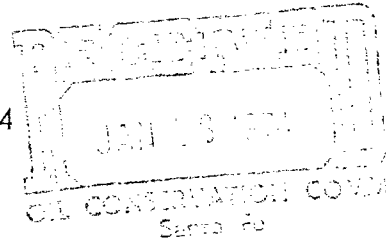
WILLIAM F. CARR
General Counsel

WFC/dr
enclosure

cc: Mr. Al Kendrick
CNA Insurance



January 15, 1974



Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. William F. Carr, General Counsel

Re: Tamanaco Oil Corporation
Wells 11 N and 27 B., 28 N. 1 E.

Dear Mr. Carr:

Since our efforts to plug the captioned wells in accordance with your letter of Dec. 17th., we have been advised by Mr. J. W. Neal of Hobbs, attorney for Dr. Maddox who owns the Pound and El Poso Ranches upon which said wells are located, that they do not want the wells plugged; that they could use gas from either well for heating their ranch headquarters located nearby; that they want the oil well pumped and perhaps other wells drilled.

Grimm Drilling Company has moved a rotary rig as near to the locations as they can get until snow and road conditions improve. They are interested in either plugging the wells, which I cannot now do, or in drilling another or other wells.

I believe Mr. Neal said that he and Dr. Maddox, with me, would come to Santa Fe to see you about this matter in the near future.

Yours very truly,

A handwritten signature in cursive script, appearing to read 'H. K. Riddle'.

H. K. Riddle

cc: Mr. J. W. Neal, Attorney
Box 278
Hobbs, New Mexico

EXHIBIT C

STATE OF NEW MEXICO

COUNTY OF RIO ARriba

IN THE DISTRICT COURT

THE OIL CONSERVATION COMMISSION
of the STATE OF NEW MEXICO,

Plaintiff,

vs.

No. 12506

TAMANACO OIL CORPORATION,
A Corporation,

Defendant.

A N S W E R

COMES NOW the defendant, Tamanaco Oil Corporation by its attorneys, TAPIA & CAMPOS and answers plaintiff's complaint as follows:

FIRST AFFIRMATIVE DEFENSE

Plaintiff's complaint fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

Plaintiff has no standing to maintain this action, that the rules and regulations of the New Mexico Oil Conservation Commission, more specifically referred to in its complaint are arbitrary, capricious, unlawful and unconstitutional in form and substance and contravene the Constitutions of the United States and State of New Mexico.

THIRD AFFIRMATIVE DEFENSE

That Section 65-3-24 and 65-3-27 N.M.S.A. 1953 compilation are unconstitutional.

FOURTH AFFIRMATIVE DEFENSE

That defendant corporation has no lawful authority nor right to enter upon the premises described in paragraph 2 of plaintiff's complaint, has no possessing right nor interest in said premises and has been refused admission to enter said premises for any purpose.

I.

In further answer to plaintiff's complaint, the defendant admits the allegations contained in paragraphs 1 and 2 of plaintiff's complaint.

II.

Defendant has no information upon which to either admit or deny the allegations contained in paragraph 3 of plaintiff's complaint and therefore denies same.

III.

Defendant denies the allegations contained in paragraph 4 of plaintiff's complaint.

IV

Defendant has no information upon which to either admit or deny the allegations contained in paragraphs 5 and 6 of plaintiff's complaint and therefore denies same.

V.

Defendant denies the allegations contained in paragraph 7 and 8 of plaintiff's complaint.

VI.

Defendant denies the allegations contained in paragraphs 9, 10 and 11 of plaintiff's complaint and requires strict proof of same.

VII.

Defendant admits the allegations contained in paragraph 12 of plaintiff's complaint.

VIII.

Defendant has no information upon which to admit or deny the allegations contained in paragraphs 13 and 14 of plaintiff's complaint and therefore denies same.

IX.

Defendant denies the allegations contained in paragraphs 15, 16, 17 and 18 of plaintiff's complaint and requires strict proof of same.

X.

Defendant admits the allegations contained in paragraph 19 of plaintiff's complaint.

XI.

Defendant denies the allegations contained in paragraphs 20 and 21 of plaintiff's complaint.

WHEREFORE, defendant prays the Court as follows: That the Court dismiss plaintiff's complaint with costs assessed against plaintiff and for such other and further relief as the Court may deem just and proper in the premises.

LAW OFFICES OF
TAPIA & CAMPOS

BY LORENZO E. TAPIA

Attorney for Defendant
Suite 1805 National Building
505 Marquette, N.W.
Albuquerque, New Mexico 87101

I HEREBY CERTIFY that a copy of the foregoing pleading was mailed to opposing counsel of record this 18 day of April, 1974.

LORENZO E. TAPIA

STATE OF NEW MEXICO

COUNTY OF RIO ARriba

IN THE DISTRICT COURT

THE OIL CONSERVATION COMMISSION
of the STATE OF NEW MEXICO,

Plaintiff,

vs.

No. 12506

TAMANACO OIL CORPORATION,
A Corporation,

Defendant.

A N S W E R

COMES NOW the defendant, Tamanaco Oil Corporation by its attorneys, TAPIA & CAMPOS and answers plaintiff's complaint as follows:

FIRST AFFIRMATIVE DEFENSE

Plaintiff's complaint fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

Plaintiff has no standing to maintain this action, that the rules and regulations of the New Mexico Oil Conservation Commission, more specifically referred to in its complaint are arbitrary, capricious, unlawful and unconstitutional in form and substance and contravene the Constitutions of the United States and State of New Mexico.

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III.

Defendant denies the allegations contained in paragraph 4 of plaintiff's complaint.

IV.

Defendant has no information upon which to either admit or deny the allegations contained in paragraphs 5 and 6 of plaintiff's complaint and therefore denies same.

V.

Defendant denies the allegations contained in paragraph 7 and 8 of plaintiff's complaint.

VI.

Defendant denies the allegations contained in paragraphs 9, 10 and 11 of plaintiff's complaint and requires strict proof of same.

VII.

Defendant admits the allegations contained in paragraph 12 of plaintiff's complaint.

VIII.

Defendant has no information upon which to admit or deny the allegations contained in paragraphs 13 and 14 of plaintiff's complaint and therefore denies same.

IX.

Defendant denies the allegations contained in paragraphs 15, 16, 17 and 18 of plaintiff's complaint and requires strict proof of same.

X.

Defendant admits the allegations contained in paragraph 19 of plaintiff's complaint.

XI.

Defendant denies the allegations contained in paragraphs 20 and 21 of plaintiff's complaint.

WHEREFORE, defendant prays the Court as follows: That the Court dismiss plaintiff's complaint with costs assessed against plaintiff and for such other and further relief as the Court may deem just and proper in the premises.

LAW OFFICES OF
TAPIA & CAMPOS

BY LORENZO E. TAPIA

Attorney for Defendant
Suite 1805 National Building
505 Marquette, N.W.
Albuquerque, New Mexico 87101

I HEREBY CERTIFY that a copy of the foregoing pleading was mailed to opposing counsel of record this 18 day of April, 1974.

LORENZO E. TAPIA

Lawrence Brown

First Affirmative Defense

failure to state a cause of action

Second Affirmative Defense

OCC has no standing

<Sec. 65-3-11(1)>

rules and reqs are unconstitutional
arbitrary, unreasonable, etc.

Third Affirmative Defense

65-3-24

65-3-27

unconstitutional

Fourth Affirmative Defense

Δ - no right to enter
premises

✓ law enforcement + public safety

✓ no trespassing

I - admits (TF 1+2)

II - no information as to production (TF 3)

✓ reports

✓ correspondence

III - denies showing on placard shell in May 1972

✓ law receipt - 6/19/74 - signed by [unclear]

✓ set for June 20 - on May 22, (TF 4) 1 pin

IV - no information (TF 5+6)

TF 5 - Δ received notice

✓ law receipt - 6/19/74

✓ receipt 4/8/74

✓ law receipt

TF 6 - orders entered

copies initiated -

Answers

V - denies (TR 7) that he did not plug the wells

denies (TR 8) that he wrote his December 12, 1973,

VI - denies and "requires strict proof of"

TR-9 response by Jan 7

TR-10 - "admitted" said to order

TR-11 - was one that was... concerning the Jan 15 letter

VII - admits TR 12

VIII - no information re TR 13 - one promulgated
rule 201, 202, 203 and 204
no information re TR 4 - quote from
TR 201

IX denies TR 15 - Δ failed to plug in
accordance with 200 Jan 15, 1976.

denies TR 16 - "put hole in the ground"

denies TR 17 - "didn't go to plug
potential threats to
the area"

denies TR 18 - L. "admitted" to
work on the 15th of Jan
said "don't know"

X admits TR 19

XI - denies TR 20 - Δ in violation of TR-95, 96 + TR-97

- denies TR 21 - violation of TR-95, 96 + TR-97

TR 95, 96 + TR 97

STATE OF NEW MEXICO

COUNTY OF RIO ARRIBA

IN THE DISTRICT COURT

THE OIL CONSERVATION COMMISSION
of the STATE OF NEW MEXICO,

Plaintiff,

vs.

TAMANACO OIL CORPORATION,
A Corporation,

Defendant.

No. 12506

RECEIVED
3-26-74
Rio Arriba
DISTRICT COURT CLERK

O R D E R

THIS MATTER having come before the Court upon the motion of defendant to extend time to file his answer or otherwise plead to plaintiff's complaint, the plaintiff and defendant by their attorneys of record have agreed to the extension, the Court finds that defendant should be and he is hereby granted thirty (30) days to file his answer or otherwise plead to plaintiff's complaint.

SANTIAGO E. CAMPOS

DISTRICT JUDGE

APPROVED:



Attorney for Plaintiff



Attorney for Defendant

Suite 1805 Nacional Bldg.
505 Marquette, NW.
87101

STATE OF NEW MEXICO

COUNTY OF RIO ARRIBA

IN THE DISTRICT COURT

THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

Plaintiff ,

vs.

No. 12506

TAMANACO OIL CORPORATION,
a corporation,

Defendant .

ENTRY OF APPEARANCE

COMES NOW, LORENZO E. TAPIA, Attorney at Law,
and hereby enters his appearance for and on behalf of the
H. K. RIDDLE in the above, entitled and numbered
cause.

LAW OFFICES OF
LORENZO E. TAPIA

BY 

Attorney for Defendant
Suite 1805 National Building
505 Marquette N.W.
Albuquerque, New Mexico 87101

I hereby certify that a copy of
the foregoing pleading was mailed
to opposing Counsel of record this

14 day of March,
1974

TAPIA
ATTORNEY AT LAW

SUITE 1805
NATIONAL BLDG.
505 MARQUETTE NW
ALBUQUERQUE,
NEW MEXICO 87101
TELEPHONE
(505) 243-2842

STATE OF NEW MEXICO

COUNTY OF RIO ARriba

IN THE DISTRICT COURT

THE OIL CONSERVATION COMMISSION
of the STATE OF NEW MEXICO,

Plaintiff,

vs.

No. 12506

TAMANACO OIL CORPORATION,
A Corporation,

Defendant.

MOTION TO EXTEND TIME

COMES NOW the defendant and moves the Court to extend the time to answer or otherwise plead to plaintiff's complaint and as grounds thereof would show the Court that defendant has been out of the jurisdiction and that counsel only recently was able to locate defendant to obtain the necessary facts to answer or plead to plaintiff's complaint.

WHEREFORE, defendant, by his counsel, moves the Court to grant defendant thirty (30) days to answer or plead to plaintiff's complaint and for such other and further relief as the Court may deem just and proper in the premises.

LAW OFFICES OF
TAPIA & CAMPOS

BY /s/ Lorenzo E. Tapia
Attorney for Defendant
Suite 1805 National Building
505 Marquette, N.W.
Albuquerque, New Mexico 87101

I HEREBY CERTIFY that a copy of the foregoing pleading was mailed to opposing Counsel of record this 20th day of March, 1974.

/s/ Lorenzo E. Tapia

STATE OF NEW MEXICO

COUNTY OF RIO ARriba

IN THE DISTRICT COURT

THE OIL CONSERVATION COMMISSION
of the STATE OF NEW MEXICO,

Plaintiff,

vs.

No. 12506

TAMANACO OIL CORPORATION,
A Corporation,

Defendant.

O R D E R

THIS MATTER having come before the Court upon the motion of defendant to extend time to file his answer or otherwise plead to plaintiff's complaint, the plaintiff and defendant by their attorneys of record have agreed to the extension, the Court finds that defendant should be and he is hereby granted thirty (30) days to file his answer or otherwise plead to plaintiff's complaint.

DISTRICT JUDGE

APPROVED:

Attorney for Plaintiff

Attorney for Defendant

STATE OF NEW MEXICO

COUNTY OF RIO ARRIBA

IN THE DISTRICT COURT

THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

Plaintiff ,

vs.

No. 12506

TAMANACO OIL CORPORATION,
a corporation,

Defendant .

ENTRY OF APPEARANCE

COMES NOW, LORENZO E. TAPIA, Attorney at Law,
and hereby enters his appearance for and on behalf of the
H. K. RIDDLE in the above, entitled and numbered
cause.

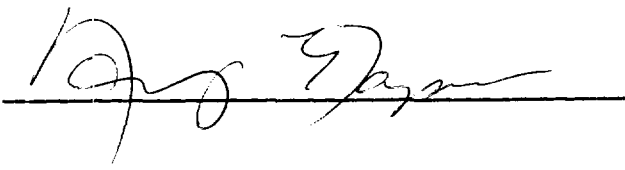
LAW OFFICES OF
LORENZO E. TAPIA

BY 

Attorney for Defendant
Suite 1805 National Building
505 Marquette N.W.
Albuquerque, New Mexico 87101

I hereby certify that a copy of
the foregoing pleading was mailed
to opposing Counsel of record this

14 day of March,
197 4



SUMMONS

In the District Court of the First Judicial District, in and for the County of Rio Arriba,
State of New Mexico.

CASE No. 12576

The Oil Conservation Commission
of the State of New Mexico

vs.

Tamanaco Oil Corporation,
a corporation

Plaintiff

Defendant

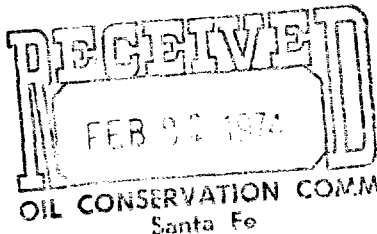
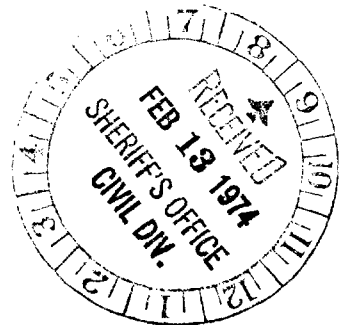
THE STATE OF NEW MEXICO

To

Tamanaco Oil Corporation,
c/o Lorenzo E. Tapia,
Statutory Agent
Route 4, Box 466
Albuquerque, New Mexico

and/or

H. K. Riddle,
President
1409 Mesilla, N.E.
Albuquerque, New Mexico



DEFENDANT — GREETING:

You are hereby directed to serve a pleading or motion in response to the complaint within 30 days after service of this summons, and file the same, all as provided by law.

You are notified that, unless you so serve and file a responsive pleading or motion, the plaintiff will apply to the court for the relief demanded in the complaint.

Witness the HON. SANTIAGO E. CAMPOS, Judge of the First Judicial District Court of the State of New Mexico, and the seal of the District Court of Rio Arriba County, this 11 day of February, A.D. 1974.

SUSIE K. MONTOYA

Clerk of the District Court, First Judicial District

By

Virginia B. Montoya

Deputy

Attorney or Attorneys for Plaintiff and Address:

William F. Carr and Thomas W. Derryberry

Special Assistant Attorneys General for the

Oil Conservation Commission, P. O. Box 2088
Santa Fe, New Mexico 87501

Name and Address of Plaintiff, if no attorney:

(Sheriff's return when service is made personally on defendants.)

STATE OF NEW MEXICO,

County of Bernalillo } ss.

I Lester W. Hay Sheriff of Bernalillo County,

State of New Mexico, do hereby certify, that I served the within summons on the 19

day of February 1974-9:15 am by delivering a copy thereof, with copy of complaint attached,

in the county aforesaid, to Jerome J. Jara, Stat. agent for "Lanman Oil Corp."

Dated: 2-19-74 Lester W. Hay Sheriff

Fees: 500 Antonio A. Trujillo Deputy

(Sheriff's return when service is made on defendants by leaving copy at usual place of abode.)

STATE OF NEW MEXICO,

County of _____ } ss.

I, _____ Sheriff of _____ County,

State of New Mexico, do hereby certify, that I served the within summons on the _____

day of _____ by delivering a copy thereof, with copy of complaint attached,

in the county aforesaid, in person to _____

a person over fifteen years of age, residing at the usual place of abode of defendant _____

_____, who at the time of such service was absent therefrom.

Dated: _____, Sheriff

Fees: _____ By _____, Deputy

(Return when service is made personally on defendants by other than Sheriff.)

STATE OF NEW MEXICO,

County of _____ } ss.

_____ being duly sworn, upon his oath says, I am over the age

of eighteen years, I served the within summons on the _____ day of _____ by

delivering a copy thereof, with copy of complaint attached, in the county aforesaid, in person to _____

Fees: _____

Subscribed and sworn to before me this _____ day of _____, 19 _____

(Return when service is made on defendants by other than Sheriff by serving some one residing at usual place of abode of defendant who is then absent.)

STATE OF NEW MEXICO,

County of _____ } ss.

_____ being duly sworn, upon his oath says, I am over the age of eighteen years, I served the within summons on the _____ day of _____ by

delivering a copy thereof, with copy of complaint attached, in the county aforesaid to _____

_____ a person over fifteen years of age, residing at the usual

place of abode of defendant _____

_____ who at the time of such service was absent therefrom.

Fees: _____

Subscribed and sworn to before me this _____ day of _____, 19 _____

IN THE DISTRICT COURT OF RIO ARriba COUNTY
STATE OF NEW MEXICO

THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

Plaintiff,

vs.

TAMANACO OIL CORPORATION,
a corporation,

Defendant

*original pleading filed
on 2/11/74
Rio Arriba Co.
No. 12506*

COMPLAINT

Plaintiff, for its claim for relief states:

1. That the Oil Conservation Commission of the State of New Mexico is a duly organized agency of the State of New Mexico, and that Defendant Tamanaco Oil Corporation is a corporation duly incorporated under the laws of the State of New Mexico and licensed to do business in the State of New Mexico, whose statutory agent in New Mexico is Lorenzo E. Tapia, Route 4, Box 466, Albuquerque, New Mexico and whose President is H. K. Riddle, 1409 Mesilla N.E., Albuquerque, New Mexico.

2. That in 1961 the Defendant drilled the Pound Ranch "B" Well No. 27, located in Unit B, Section 27, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico, and the El Poso Ranch "N" Well No. 11, located in Unit N of Section 11, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.

3. Neither of said wells has produced commercial quantities of either oil or gas.

4. That in May, 1973, due to the failure of the Defendant herein to put these wells on production or voluntarily plug them, the Oil Conservation Commission set these matters for hearing to allow Tamanaco Oil Corporation and any interested party to appear and show cause why these wells should not be plugged and abandoned.

5. The Defendant received notice of said hearings to be held on June 20, 1973, but did not make an appearance in the cases concerning said wells.

6. Pursuant to these hearings, Oil Conservation Commission Orders Nos. R-4575 and R-4576 were issued which required that said wells be plugged and abandoned in accordance with a Commission-approved plugging program on or before August 1, 1973.

7. The Defendant did not comply with these orders by plugging these wells on or before August 1, 1973.

8. On December 12, 1973, the Defendant herein wrote the Oil Conservation Commission stating that it had been impossible to obtain proper plugging of the wells and informed the Commission that "...time is of no particular concern."

9. The Oil Conservation Commission responded to Defendant's letter stating that they were in violation of Commission Orders Nos. R-4575 and R-4576 and advising them of the Commission's intention to pursue legal remedies on January 7, 1974, unless said wells were plugged by that date.

10. On January 15, 1974, Defendant herein corresponded with the Oil Conservation Commission and indicated that there might be a ranch in the area that might use gas from either well for the heating of their ranch headquarters located nearby and stated that Defendant's representatives and those of the rancher would contact the Commission in person about the matter in the near future.

11. At the time this action was filed no one had contacted the Commission concerning this matter.

12. That Section 65-3-11 NMSA, 1953 Compilation, which enumerates the powers of the Oil Conservation Commission, directs the Commission inter alia:

(1) To require dry or abandoned wells to be plugged in such a way as to confine the crude petroleum oil, natural gas, or water in the strata in which they are found, and to prevent them from escaping into other strata...;

(2) To prevent crude petroleum oil, natural gas, or water from escaping from strata in which they are found into another stratum or other strata;

13. That pursuant to this statutory mandate, the Oil Conservation Commission, after notice and hearing, promulgated rules 201, 202, 203 and 204 governing the abandonment and plugging of wells. A copy of these rules are attached hereto and made a part hereof by reference.

14. That Rule 204 of the Rules and Regulations of the New Mexico Oil Conservation Commission provides that "the owner of any well drilled for oil or gas or any seismic core or other exploratory holes whether cased or uncased shall be responsible for the plugging thereof."

15. That Defendant herein failed to plug and abandon said wells in accordance with the rules, regulations and orders of the Oil Conservation Commission.

16. That the purpose of Rule 201, 202, 203 and 204 is to prevent the waste of hydrocarbons and protect fresh water in the State of New Mexico.

17. That the failure of the Defendant herein to plug said wells in accordance with the rules, regulations and orders of the Oil Conservation Commission poses a potential threat to fresh water and could lead to the waste of hydrocarbons.

18. That the Defendant knowingly and willfully violated the rules and regulations of the Oil Conservation Commission by refusing to make proper arrangements for the plugging of said wells.

19. That Section 65-3-24 and 65-3-27 NMSA, 1953 Compilation, provide that an action may be instituted by the Plaintiffs herein to recover penalties of up to \$1000 per day per violation for violations of its rules, regulations or orders.

20. That the Defendant herein has been in violation of Commission Orders R-4575 and R-4576 each and every day since August 1, 1973.

21. That this action is brought in Rio Arriba County, New Mexico, which is the county in which the violation took place.

THEREFORE, Plaintiff prays

1. That it be granted judgment against the Defendant in such amount as Plaintiff may prove is justified, which amount is to be paid into the State Treasury as provided for in Article XII, Section 4, of the Constitution of the State of New Mexico, plus costs.

2. For such further relief as the Court deems proper.

DAVID L. NORVELL
Attorney General

WILLIAM F. CARR

THOMAS W. DERRYBERRY

Special Assistant Attorneys General
Oil Conservation Commission of the
State of New Mexico, P. O. Box 2038,
Santa Fe, New Mexico 87501

RULE 201. NOT.

Notice of intention to plug must be filed with the Commission by the owner or his agent prior to the commencement of plugging operations on Form C-103, Sundry Notices and Reports on Wells, which notice shall state the name and location of the well and the name of the operator. In the case of a newly completed dry hole, the operator may commence plugging by securing the approval of the Commission as to the method of plugging and the time plugging operations are to begin. He shall, however, file the regular notification form.

RULE 202. METHOD OF PLUGGING

(a) Before any well is abandoned, it shall be plugged in a manner which will permanently confine all oil, gas, and water in the separate strata originally containing them. This operation shall be accomplished by the use of mud-laden fluid, cement and plugs, used singly or in combination, as may be approved by the Commission. The exact location of abandoned wells shall be shown by a steel marker at least four inches in diameter set in concrete and extending at least four feet above mean ground level. The name and number of the well and its location (unit letter, section, township, and range) shall be welded, stamped, or otherwise permanently engraved into the metal of the marker. Seismic, core or other exploratory holes drilled to or below sands containing fresh water shall be plugged and abandoned in accordance with the applicable provisions recited above. Permanent markers are not required on seismic holes.

Within thirty days following the completion of plugging operations on any well, a record of the work done shall be filed with the Commission in TRIPLICATE, on Form C-103. Such report shall be filed by the owner of the well and shall include the date the plugging operations were begun along with the date the work was completed; a detailed account of the manner in which the work was performed; the depths and lengths of the various plugs set; the nature and quantities of materials employed in plugging operations; the amount, size, and depth of all casing left in the hole and the weight of mud employed in plugging the well and any other pertinent information. No plugging report submitted on Form C-103 shall be approved by the Commission unless such report specifically states that pits have been filled and the location levelled, and cleared of junk. The filing of Form C-105, Well Completion or Recompletion Report and Log, is also necessary to obtain Commission approval of a plugging report.

It shall be the responsibility of the owner of the plugged well to contact the appropriate District Office of the Commission to arrange for an inspection of the plugged well and the location by a Commission representative.

(b) If a well is to be abandoned temporarily and no casing pulled, then a plug shall be placed at the top and bottom of the casing in such manner as to prevent the intrusion of any foreign matter into the well and a record of the work done shall be filed with the Commission in TRIPLICATE on Form C-103 within thirty days following the completion of the temporary plugging operations.

(c) When drilling operations have been suspended for sixty days, the well shall be plugged and abandoned unless a permit for temporary abandonment has been obtained from the Commission.

RULE 203. WELLS TO BE USED FOR FRESH WATER

When the well to be plugged may safely be used as a fresh water well and such utilization is desired by the landowner, the well need not be filled above a sealing plug set below the fresh water formation, provided that written agreement for such use shall be secured from the landowner and filed with the Commission.

RULE 204. LIABILITY

The owner of any well drilled for oil or gas, or any seismic, core or other exploratory holes, whether cased or uncased, shall be responsible for the plugging thereof.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION COMMISSION ON ITS OWN
MOTION TO PERMIT TAMANACO OIL CORPORATION
AND CONTINENTAL CASUALTY COMPANY AND ALL
OTHER INTERESTED PARTIES TO APPEAR AND SHOW
CAUSE WHY THE EL POSO RANCH "N" WELL NO. 11
LOCATED IN UNIT N OF SECTION 11, TOWNSHIP
28 NORTH, RANGE 1 EAST, RIO ARRIBA COUNTY,
NEW MEXICO, SHOULD NOT BE PLUGGED AND
ABANDONED IN ACCORDANCE WITH A COMMISSION-
APPROVED PLUGGING PROGRAM.

CASE NO. 5001
Order No. R-4575

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 20, 1973, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of June, 1973, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

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

(2) That Tamanaco Oil Corporation is the owner and operator of the El Poso Ranch "N" Well No. 11, located in Unit N of Section 11, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.

(3) That in order to prevent waste and protect correlative rights said El Poso Ranch "N" Well No. 11 should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Commission on or before August 1, 1973.

IT IS THEREFORE ORDERED:

(1) That Tamanaco Oil Corporation and Continental Casualty Company are hereby ordered to plug and abandon the El Poso Ranch

-2-

Case No. 5001

Order No. R-4575

"N" Well No. 11, located in Unit N of Section 11, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico, on or before August 1, 1973.

(2) That Tamanaco Oil Corporation and Continental Casualty Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Aztec Office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

og/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE NO. 5002
Order No. R-4576

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION COMMISSION ON ITS
OWN MOTION TO PERMIT TAMANACO OIL CORP-
ORATION AND CONTINENTAL CASUALTY COMPANY
AND ALL OTHER INTERESTED PARTIES TO
APPEAR AND SHOW CAUSE WHY THE POUND RANCH
"B" WELL NO. 27 LOCATED IN UNIT B OF
SECTION 27, TOWNSHIP 28 NORTH, RANGE 1
EAST, RIO ARriba COUNTY, NEW MEXICO, SHOULD
NOT BE PLUGGED AND ABANDONED IN ACCORDANCE
WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 20, 1973, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of June, 1973, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

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

(2) That Tamanaco Oil Corporation is the owner and operator of the Pound Ranch "B" Well No. 27, located in Unit B of Section 27, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.

(3) That in order to prevent waste and protect correlative rights said Pound Ranch "B" Well No. 27 should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Commission on or before August 1, 1973.

IT IS THEREFORE ORDERED:

(1) That Tamanaco Oil Corporation and Continental Casualty Company are hereby ordered to plug and abandon the Pound Ranch "B" Well No. 27, located in Unit B of Section 27, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico, on or before August 1, 1973.

(2) That Tamanaco Oil Corporation and Continental Casualty Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Aztec Office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

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

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

ac/

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

June 7, 1973

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

CERTIFIED - RETURN
RECEIPT REQUESTED

Tamanaco Oil Corporation
c/o Verity, Burr & Cooley
152 Petroleum Center Building
Farmington, New Mexico 87401

Tamanaco Oil Corporation
c/o Lorenzo Tapia, Esq.
Suite 1805 National Building
505 Marquette, N. W.
Albuquerque, New Mexico

Continental Casualty Company
2976 Wilshire Blvd.
Los Angeles, California

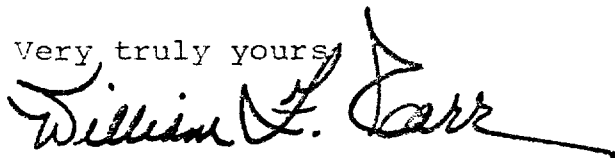
Mr. H. K. Riddle
1400 Mesilla, N.E.
Albuquerque, New Mexico

Re: El Poso Ranch "N" Well No. 11,
Unit N, Section 11, Township 28
North, Range 1 East, Rio Arriba
County, New Mexico, Continental
Casualty Company \$10,000 Blanket
Bond Form 39 - A1

Gentlemen:

Enclosed is a copy of the docket of the Examiner
Hearing to be held on Wednesday, June 20, 1973, at 9:00 a.m.
in the Oil Conservation Commission Conference Room, State
Land Office Building, Santa Fe, New Mexico. Case No. 5001
concerns the subject matter.

Very truly yours,



WILLIAM F. CARR
Special Assistant Attorney General
Oil Conservation Commission

WFC/ac
enclosure
cc: Oil Conservation Commission - Aztec

New Mexico Press Clipping Bureau
Albuquerque, N. M.

Santa Fe Record

Anne and Robert Stark are asking \$13,750 from Albert Catanach and the New Mexico State Department of Health Services, employment division, as the result of an accident last November 2 in which Catanach, driving a state vehicle collided with a car driven by Anne Stark. The Starks claim Catanach was driving while intoxicated.

Continental Casualty Co. seeks \$9,900 from Tamanco Oil Co., Donald Appel and Larry G. Slaten to cover the cost of a state-ordered plugging and abandoning of two oil wells Tamanco owned in Rio Arriba County. Continental claims that it executed and delivered a surety for the defendants in 1980 and gave its written obligation and bond to the Oil Conservation Commission. As a result, when Tamanco refused to obey a state order to plug the wells, the state plugged them and Continental became liable for the bill, which it paid and seeks to recover.

Eleanor and Michael Roybal of Santa Fe and Rebecca Knee of Las Cruces seek a total of \$656,000 in damages from Tillie Rodriguez of Santa Fe and Mountain States Telephone Co. They claim Rodriguez has, by telephone, "has unjustifiably harrassed" them by means of "incessant, harrassing and lewd telephone calls to their homes and to Michael Roybal's business since 1976. The phone company, despite complaints, has done nothing to stop the calls, they allege. They also seek an injunction ordering Rodriguez to stop making the calls and an injunction requiring the phone company to disconnect her service.

District Court Judge Lorenzo Garcia has signed an order which cancelled a hearing set last Thursday by the Construction Industries Commission for the state at which complaints against Chuska Development Corp., and Morrison Knudsen Co., Inc., a joint venture; Chuska Development Corp. individually; Laurence Manuelito, and Morrison Knudson Co., Inc., a Delaware Corp. Those firms and Manuelito sought the order, claiming the commission and individual members Robert Torres, Roger Bybee, Terry Sanchez, Otis Beatty, Carl Smith, Kingsley Blanckman and Rex Glover didn't disqualify themselves from hearing the complaint despite a strong bias against them. The Commission was ordered to either disqualify itself or show cause why not before Judge Garcia at 1:30 p.m. June 14.

Thomas William Harvey has filed in district court a request to legally change his name to Thomas William Trujillo-Harvey.

Lloyd Jacobs, a prisoner at the state penitentiary, seeks a writ of habeus corpus that would void the habitual offender part of his sentence and reduce the time he is to serve to from one to five years.

Arthur and Florence Hill seek \$155,800 in total damages as the result of a July 8, 1976, accident which they claim was caused by defendant David Lujan while driving a car belonging to defendant Ramon Lujan.

David E. Jones seeks from the New Mexico State Highway Department, the state Highway Commission, Jim Denison, Paul Rader, James W. Chaney, Sosimo Padilla, Albert M. Sanchez and Attorney General Jeff F. Bingaman damages resulting from Jones assistance with emergency snow conditions in San Miguel County on April 3, 1973.

He claims he provided heavy equipment and drivers to the state that day and was not sufficiently paid. He also claims two of his bulldozers were damaged and the state should compensate him for those damages.

He seeks \$3,068 in additional pay for the use of his equipment and men and \$7,501.85 for damages to his bulldozers, which he claims he "surrendered" to the state because of emergency conditions.

St. John C. and Lucille Romero and State Farm Mutual Auto Insurance seek a total of \$6,356.06 in damages from Toby Vigil, whom they claim was responsible for an automobile accident involving himself and Lucille Romero.

dearnley, meier & associates

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

June 20, 1973

IN THE MATTER OF:

The hearing called by the Oil
Conservation Commission on its own
motion to permit Tamanaco Oil
Corporation and Continental
Casualty Company and all other
interested parties to appear and
show cause why the El Poso Ranch
"N" Well No. 11 located in Unit N
of Section 11, Township 28 North,
Range 1 East, Rio Arriba County,
New Mexico, should not be plugged
and abandoned in accordance with a
Commission-approved plugging program.

Case No. 5001

IN THE MATTER OF:

The hearing called by the Oil
Conservation Commission on its own
motion to permit Tamanaco Oil
Corporation and Continental
Casualty Company and all other
interested parties to appear and
show cause why the Pound Ranch "B"
Well No. 27 located in Unit B of
Section 27, Township 28 North,
Range 1 East, Rio Arriba County, New
Mexico, should not be plugged and
abandoned in accordance with a
Commission-approved plugging program.

Case No. 5002

BEFORE: State Geologist, A. L. Porter, Jr.,
Secretary-Director

I. R. Trujillo,
Member

TRANSCRIPT OF HEARING

1 MR. PORTER: Case 5001.

2 MR. CARR: Case 5001: In the matter of the hearing
3 called by the Oil Conservation Commission on its own motion
4 to permit Tamanaco Oil Corporation and Continental Casualty
5 Company and all other interested parties to appear and
6 show cause why the El Poso Ranch "N" Well No. 11 located
7 in Unit N of Section 11, Township 28 North, Range 1 East,
8 Rio Arriba County, New Mexico, should not be plugged and
9 abandoned in accordance with a Commission-approved plugging
10 program.

11 It is our recommendation that Cases 5001 and 5002
12 be consolidated for the purpose of taking testimony.

13 MR. PORTER: Without objection, Cases 5001 and
14 5002 will be consolidated for this hearing. Let the record
15 show that there are no other appearances in this case.

16 MR. CARR: Case 5002: In the matter of the hearing
17 called by the Oil Conservation Commission on its own motion
18 to permit Tamanaco Oil Corporation and Continental Casualty
19 Company and all other interested parties to appear and
20 show cause why the Pound Range "B" Well No. 27 located
21 in Unit B of Section 27, Township 28 North, Range 1 East,
22 Rio Arriba County, New Mexico, should not be plugged and
23 abandoned in accordance with a Commission-approved plugging
24 program.

25 * * * *

1 EMORY ARNOLD,
2 was called as a witness, and after being duly sworn according
3 to law, testified as follows:

4 DIRECT EXAMINATION

5 BY MR. CARR:

6 Q Would you state your name and position for the record?

7 A Emory Arnold, supervisor of the Oil Conservation
8 Commission District Three Office.

9 Q Does District Three include a portion of Rio Arriba
10 County?

11 A Yes.

12 Q And the portion of that county involved in these cases?

13 A Yes.

14 Q Do your duties as District supervisor include making
15 recommendations to the Commission as to whether wells
16 should be plugged and abandoned?

17 A Yes.

18 Q You are familiar with the subject matter in Cases 500,
19 and 5002, are you not?

20 A Yes, I am.

21 Q Would you describe the purpose of these cases?

22 A The purpose of these cases is to have Tamenaco Oil
23 Corporation and the bonding company involved show cause
24 why these two wells shouldn't be properly plugged and
25 abandoned according to a Commission-approved plugging

1 program.

2 Q And you are familiar with these wells, is that correct?

3 A Yes.

4 Q Have you all the correspondence in the Commission files
5 concerning these wells?

6 A Yes.

7 Q Have you reviewed it?

8 A Yes. Tamanaco Oil Corporation had their C-101 approved
9 for the Pound Ranch "B" Well No. 27 located in the
10 northeast quarter of Section 27, Township 28 North,
11 Range 1 East, Rio Arriba County, New Mexico. The well
12 is located 330 feet from the north line and 1501 feet
13 from the east line. It was completed on August 27th,
14 1961, to a total depth of 1928 feet. It was plugged
15 back to 977 feet, with 20 sacks of cement. Four and
16 a half inch casing was cemented at 831 feet. The
17 well has 7 inch casing in the hole, which was not
18 cemented. In May, 1963, the Commission made a plugging
19 demand on the operator, and the operator responded
20 by letter of September 26th, 1963 stating that the
21 producing gas zone was presently lined with 4 1/2 inch
22 casing at approximately 790 feet. He stated that a
23 future gas market might develop on the east side of
24 the basin, and therefore he wanted to save the well
25 for possible completion at a later date. Based upon

1 this information, no further plugging demand was made.

2 The last form filed was a Form C-105 which was filed

3 on 9/30/63, along with a cover letter. Do you also

4 want the information at this time on the other well?

5 Q Yes, I do.

6 A The other well, the El Poso Ranch "N" Well No. 11

7 is located in Unit N of Section 11, Township 28 North,

8 Range 1 East, Rio Arriba County, New Mexico. The C-101

9 was granted to Tamanaco Oil Corporation to locate the

10 well 280 feet from the west line and 680 feet from the

11 south line of Section 11, Township 28 North, Range 1

12 East. The well was drilled to 1,469 feet, and completed

13 in January, 1961. Five and a half inch casing was

14 cemented at 1,444 feet with 60 sacks of cement. Ten

15 and three-quarter inch surface casing was cemented

16 at 62 feet-- was cemented to the surface from 62 feet.

17 The operator reported the well made 15 to 20 gallons

18 of oil per hour. The well was shut in and the I. P.

19 reported 9 barrels of oil per day. However, no actual

20 oil production has ever been reported to the Commission

21 on a Form C-115. The Commission also made a plugging

22 demand on this well in May, 1963. The operator

23 responded by letter dated September 26th, 1963, stating

24 that the well was a producing well, and stating that

25 it was his intention not to plug the well. He stated

1 that 400 feet of oil was standing in the hole, and
2 that he was negotiating with some people to take it
3 over and produce it. Based upon this information,
4 plus a field inspection, a plugging case was not set.
5 The final information filed was on 9/30/63.

6 Q Do you believe a proper plugging program on this well
7 would prevent waste?

8 A Yes, I think that eventually the casing will corrode
9 and possibly cause communication in the well bore. I
10 believe these wells must be plugged.

11 Q Do you have a plugging program to recommend to the
12 Commission?

13 A No, I don't have one at this time. I did talk to Mr.
14 H. K. Rydell yesterday by telephone, and he stated
15 that he was going to be in Rio Arriba County today,
16 and was going to contact me Monday, and we were going
17 to work on a plugging program on these wells next week.
18 The plugging program I would recommend will depend
19 somewhat on whether or not he intends to pull casing
20 or leave the casing in the wells.

21 MR. CAER: I have no further questions.

22 MR. PORTER: You do recommend that the well be
23 plugged?

24 THE WITNESS: Yes, I would recommend an order be
25 entered requiring that the wells be plugged, and I think

dearnley, meier & associates

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 that I would recommend that the operator be required to file
2 a Form C-103, Notice of Intention to Plug, for approval
3 within thirty days, and that these wells be plugged and
4 abandoned within sixty days. This much time may not be
5 required, but it will at least give them time.

6 MR. PORTER: Does anyone have any questions of Mr.
7 Arnold?

8 (No response)

9 MR. PORTER: He may be excused.

10 (Witness excused.)

11 (Whereupon the Commission conferred.)

12 (Hearing continues.)

13 MR. PORTER: The Commission will enter orders in
14 Cases 5001 and 5002 along the lines of the suggestion by Mr.
15 Arnold.

16 * * * *

17

18

19

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21

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25

1 STATE OF NEW MEXICO)
 2) SS
 3 COUNTY OF BERNALILLO)

4 I, RICHARD E. McCORMICK, a Certified Shorthand
 5 Reporter, in and for the County of Bernalillo, State of
 6 New Mexico, do hereby certify that the foregoing and attached
 7 Transcript of Hearing before the New Mexico Oil Conservation
 8 Commission was reported by me; and that the same is a true
 9 and correct record of the said proceedings to the best of
 10 my knowledge, skill and ability.

11
 12 
 13 CERTIFIED SHORTHAND REPORTER

dearnley, meier & associates

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I N D E X

WITNESS

PAGE

EMORY ARNOLD

Direct Examination by Mr. Carr

4

5-21-82

Santa Fe, New Mexico

NOTICE OF INTENTION TO DRILL

Notice must be given to the District Office of the Oil Conservation Commission and approval obtained before drilling or recompletion begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in QUINTUPPLICATE. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission. If State Land submit 6 Copies Attach Form C-128 in triplicate to first 3 copies of form C-101

(Place)

(Date)

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Gentlemen:

You are hereby notified that it is our intention to commence the Drilling of a well to be known as

Titanaco Oil Corporation

(Company or Operator)

El Pecos

(Lease)

Well No. 11-11

N

The well is

located 600

feet from the South

line and 2000

feet from the

West

line of Section 11

T. 22 N.

R. 1 E.

NMPM.

(GIVE LOCATION FROM SECTION LINE)

Wellcat

Pool,

Rio Arriba

County

If State Land the Oil and Gas Lease is No.

If patented land the owner is El Pecos Land

Address.

We propose to drill well with drilling equipment as follows: Cable tools

Western Drilling Co.

The status of plugging bond is Nation Wide

Drilling Contractor Western Drilling Co. Hobbs, Tex.

We intend to complete this well in the Permian or above

formation at an approximate depth of 2,000' feet.

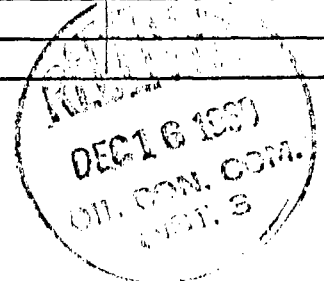
CASING PROGRAM

We propose to use the following strings of Casing and to cement them as indicated:

Size of Hole	Size of Casing	Weight per Foot	New or Second Hand	Depth	Sacks Cement
<u>13"</u>	<u>10 3/4"</u>	<u>34.3</u>	<u>new</u>	<u>60'</u>	<u>40</u>
<u>8 5/8 casing</u>		<u>28.5</u>	<u>new</u>	<u>unknown</u>	<u>11</u>

If changes in the above plans become advisable we will notify you immediately.

ADDITIONAL INFORMATION (If recompletion give full details of proposed plan of work.)



Approved
Except as follows:

12-16, 1960

Sincerely yours,

TITANACO OIL CORPORATION

(Company or Operator)

By

H. H. ... President.

Position

Burr & Cooley

Send Communications regarding well to

Name

Address 1125 W. Main Street

OIL CONSERVATION COMMISSION

By

[Signature]

UNITED STATES		
FILE		
U.S.G.S		
FIELD OFFICE		
TRANSPORTER	OIL	
	GAS	
PRODUCTION OFFICE		
OPERATOR		

Operator TAMMAGO OIL CORPORATION		Lease ML POSO RANCH		Well No. 11 - N	
Unit Letter A	Section 11	Township 28 NORTH	Range 1 EAST	County RIO ARriba	
Actual Footage Location of Well: 600 feet from the SOUTH line and 2000 feet from the WEST line					
Ground Level Elev. 7130.5	Producing Formation unconsolidated	Pool Wildcat		Dedicated Acreage: 40 Acres	

Ref: GPO 1426 dated 28 October 1922

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES X NO _____. ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES _____ NO _____. If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name _____

Position

Company

Date _____

I hereby certify that the well location shown on the plat in *SECTION B* was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
11 December 1960

Registered Professional Engineer
and/or Land Surveyor *2*

JAMES P. LEONE

Certificate No.

215

LAND OFFICE		OIL	
TRANSPORTER		GAS	
PRODUCTION OFFICE		OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company TAHANACO OIL CORPORATION		Address 152 Petroleum Center Building Farmington, New Mexico			
Lease El Poso Ranch	Well No. N-11	Unit Letter N	Section 11	Township 28 N	Range 1 E
Date Work Performed 4-1-61 to 7-28-61	Pool Wildcat		County Rio Arriba		

THIS IS A REPORT OF: (Check appropriate block)

<input checked="" type="checkbox"/> Beginning Drilling Operations	<input checked="" type="checkbox"/> Casing Test and Cement Job	<input checked="" type="checkbox"/> Other (Explain): Sand-oil frac
<input type="checkbox"/> Plugging	<input type="checkbox"/> Remedial Work	

Detailed account of work done, nature and quantity of materials used, and results obtained.

1-Well spaced and drilled to total depth of 1409 feet.

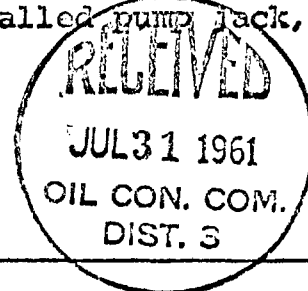
2-12" surface pipe set at 62 feet cement circulated to surface.

3-5 1/2" production string set at 1444 feet cemented with 60 sacks cement.

4-Attempted sand-oil frac, sand screened out, back filled hole 400 feet with sand, removed sand and sand pump, repeated operation with same result. Further efforts discontinued, lost 400 barrels frac oil, no recovery whatsoever.

5-Production - before setting production string well bailed 15-20 gallons of pure green oil (no water) per hour. No production since casing was set.

6-Present status - Have again cleaned out hole and installed pump jack, will attempt to pump well immediately.



Witnessed by	Position	Company
--------------	----------	---------

FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

ORIGINAL WELL DATA

D F Elev.	T D	P B T D	Producing Interval	Completion Date
Tubing Diameter	Tubing Depth	Oil String Diameter	Oil String Depth	
Perforated Interval(s)				
Open Hole Interval		Producing Formation(s)		

RESULTS OF WORKOVER

Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD
Before Workover						
After Workover						

OIL CONSERVATION COMMISSION

I hereby certify that the information given above is true and complete to the best of my knowledge.

Approved by
Emery G. Arnold

Name
Emery G. Arnold

Title
Supervisor Dist # 3

Position
Atty

Date
JUL 31 1961


Company
Tahanaco Oil Corp.

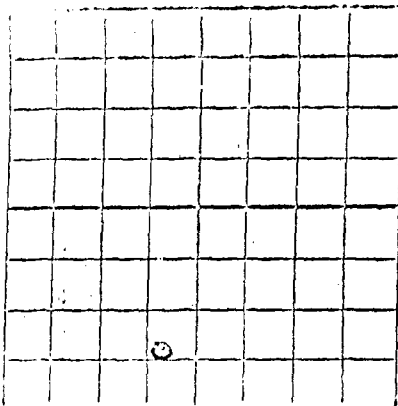
NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company Tamanaco Oil Corporation				Address 624 E. Barcelona Rd., Santa Fe, N. M.			
Lease El Poso Ranch		Well No. 11-N	Unit Letter N	Section 11	Township 28 N.	Range 1 E.	
Date Work Performed		Pool			County Rio Arriba		
THIS IS A REPORT OF: (Check appropriate block)							
<input type="checkbox"/> Beginning Drilling Operations		<input type="checkbox"/> Casing Test and Cement Job		<input type="checkbox"/> Other (Explain):			
<input type="checkbox"/> Plugging		<input checked="" type="checkbox"/> Remedial Work					
Detailed account of work done, nature and quantity of materials used, and results obtained.							
<p>On Oct. 25th, 1961, Four Corners Shooting Service with Halliburton to dump Calseal, shot this well with 52 quarts of nitro-glycerin. we cleaned the well out to bottom and bad weather set in. It has not been pump tested, and cant be until the snow melts this spring and the ground dries.</p>							
							
Witnessed by H. K. Riddle		Position President		Company Tamanaco Oil Corp.			
FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY							
ORIGINAL WELL DATA							
D F Elev.		T D		P B T D		Producing Interval	
Completion Date							
Tubing Diameter		Tubing Depth		Oil String Diameter		Oil String Depth	
Perforated Interval(s)							
Open Hole Interval				Producing Formation(s) Gallup			
RESULTS OF WORKOVER							
Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD	
Before Workover							
After Workover							
OIL CONSERVATION COMMISSION				I hereby certify that the information given above is true and complete to the best of my knowledge.			
Approved by Original Signed Emory C. Arnold				Name H. K. Riddle			
Title Supervisor Dist. # 3				Position Pres.			
Date MAR 14 1962				Company Tamanaco Oil Corporation			



NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

WELL RECORD

Mail to District Office, Oil Conservation Commission, to which Form C-101 was sent not later than twenty days after completion of well. Follow instructions in Rules and Regulations of the Commission. Submit in QUINTUPLICATE. If State Land submit 6 Copies

A SEPT. 26, 1963

TAMANACO OIL CORPORATION

(Company or Operator)

El Paso FOUND RANCH

(Lease)

Well No. 11-N, in SE 1/4 of SW 1/4, of Sec. 11, T. 28 N., R. 1 E., NMPM.

Pool, Rio Arriba County.

Well is 600' feet from south line and 2000' feet from west line

of Section 11. If State Land the Oil and Gas Lease No. is

Drilling Commenced January 1, 1961 Drilling was Completed January 26, 1961

Name of Drilling Contractor Western Drilling Company

Address Lubbock, Texas

Elevation above sea level at Top of Tubing Head 7250' The information given is to be kept confidential until 19

OIL SANDS OR ZONES

No. 1, from 1430' to 2' No. 4, from to

No. 2, from to No. 5, from to

No. 3, from to No. 6, from to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from 0' to 250' feet. surface water

No. 2, from 250' to 1451' bottom hole. feet. NONE

No. 3, from to feet.

No. 4, from to feet.

CASING RECORD

SIZE	WEIGHT PER FOOT	NEW OR USED	AMOUNT	KIND OF SHOE	CUT AND PULLED FROM	PERFORATIONS	PURPOSE
10 3/4"	40.5	New	250'	Tox. Pat.			Surface
5 1/2"	17	New	1402 1/2'	" "			oil string

MUDDING AND CEMENTING RECORD

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. BAGS OF CEMENT	METHOD USED	MUD GRAVITY	AMOUNT OF MUD USED
8"	5 1/2"	1402 1/2'	30	Halliburton		none

RECORD OF PRODUCTION AND STIMULATION

(Record the Process used, No. of Qts. or Gals. used, interval treated or shot.)

With 80,000' sand and 800 bbls of oil on location, Dowell made two attempts to frac but in both cases it sandbed up. No frac taken.

Shot with 52 quarts from 1416 to 1442'.

Result of Production Stimulation none

Depth Cleaned Out 1451'

If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto

Rotary tools were used from.....feet to.....feet, and from.....feet to.....feet.
Cable tools were used from.....2500.....feet to.....1451.....feet, and from.....feet to.....feet.

Put to Producing.....February 10....., 1961.....

OIL WELL: The production during the first 24 hours was.....11.....barrels of liquid of which.....90.....% was
was oil;10.....% was emulsion;% water; and.....% was sediment. A.P.I.
Gravity.....39.....

GAS WELL: The production during the first 24 hours was.....M.C.F. plus.....barrels of liquid Hydrocarbon. Shut in Pressure.....lbs.

Length of Time Shut in.....

Southeastern New Mexico

Northwestern New Mexico

T. Anhy.....	T. Devonian.....	T. Ojo Alamo.....
T. Salt.....	T. Silurian.....	T. Kirtland-Fruitland.....
B. Salt.....	T. Montoya.....	T. Farmington.....
T. Yates.....	T. Simpson.....	T. Pictured Cliffs.....
T. 7 Rivers.....	T. McKee.....	T. Menefee.....
T. Queen.....	T. Ellenburger.....	T. Point Lookout.....
T. Grayburg.....	T. Gr. Wash.....	T. Mancos.....
T. San Andres.....	T. Granite.....	T. Dakota.....
T. Glorieta.....	T.	T. Morrison.....
T. Drinkard.....	T.	T. Penn.....
T. Tubbs.....	T.	T.
T. Abo.....	T.	T.
T. Penn.....	T.	T.
T. Miss.....	T.	T.

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
			Mancos all the way.				

I hereby swear or affirm that the information given herewith is a complete and correct record of the well and all work done on it so far as can be determined from available records.

Company or Operator Tampanco Oil Corporation

Address 1409 Mesilla, N. E., Albuquerque, N. M.

Name H. K. Piddie

Title: President

BEFORE THE OIL AND GAS COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION COMMISSION ON ITS OWN
MOTION TO PERMIT TAMANACO OIL CORPORATION
AND CONTINENTAL CASUALTY COMPANY AND ALL
OTHER INTERESTED PARTIES TO APPEAR AND SHOW
CAUSE WHY THE EL POSO RANCH "N" WELL NO. 11,
LOCATED IN UNIT N OF SECTION 11, TOWNSHIP
28 NORTH, RANGE 1 EAST, RIO ARriba COUNTY,
NEW MEXICO, SHOULD NOT BE PLUGGED AND
ABANDONED IN ACCORDANCE WITH A COMMISSION-
APPROVED PLUGGING PROGRAM.

CASE NO. 5001
Order No. R-4575

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 20, 1973, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of June, 1973, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by Law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That Tamanaco Oil Corporation is the owner and operator of the El Poso Ranch "N" Well No. 11, located in Unit N of Section 11, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.
- (3) That in order to prevent waste and protect correlative rights said El Poso Ranch "N" Well No. 11 should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Commission on or before August 1, 1973.

IT IS THEREFORE ORDERED:

- (1) That Tamanaco Oil Corporation and Continental Casualty Company are hereby ordered to plug and abandon the El Poso Ranch

-2-

Case No. 5001

Order No. R-4575

"N" Well No. 11, located in Unit N of Section 11, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico, on or before August 1, 1973.

(2) That Tamanaco Oil Corporation and Continental Casualty Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Aztec Office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

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N. OF COPIES RECEIVED	3
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SANTA FE	1
FILE	1
U.S.G.S.	
LAND OFFICE	
OPERATOR	1

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease State <input type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.
7. Unit Agreement Name
8. Farm or Lease Name
9. Well No.
10. Field and Pool, or Wildcat
12. County

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- <input type="checkbox"/>
2. Name of Operator Bedford, Inc. for Tamanaco Oil Corp. & State of New Mexico
3. Address of Operator P. O. Box E, Farmington, New Mexico 87401
4. Location of Well UNIT LETTER K 680 FEET FROM THE S LINE AND 2080 FEET FROM THE W LINE, SECTION 11 TOWNSHIP 28N RANGE 1E NMPM.
15. Elevation (Show whether DF, RT, GR, etc.)

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER <input type="checkbox"/>	OTHER <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

This well has been plugged & abandoned as follows:

10-12-78 Move in, rig up, pulled rods
10-13-78 Circulate hole - spot 30 sx plug @ 1469' pulled tbgs.
10-14-78 Shot 5 1/2" casing off @ 915', pulled 415' casing. Spot 26 sx plug 500' to 400' pull casing
10-16-78 Set P & A marker & clean location



18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED <u>James A. Bedford</u>	TITLE <u>Agent for State</u>	DATE <u>10-26-78</u>
APPROVED BY <u>Al Kendrick</u>	TITLE <u>SUPERVISOR DIST. #3</u>	DATE <u>OCT 26 1978</u>

CONDITIONS OF APPROVAL, IF ANY:

NO. OF COPIES RECEIVED	3
DISTRIBUTION	
SANTA FE	1
FILE	1
U.S.G.S.	
LAND OFFICE	
OPERATOR	1

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease

State ☐ Fee ☐

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Bedford, Inc. for Tamanaco Oil Corp. & State of New Mexico	8. Farm or Lease Name El Paso Ranch
3. Address of Operator P. O. Box E, Farmington, New Mexico 87401	9. Well No. 11
4. Location of Well UNIT LETTER K, 680 FEET FROM THE S LINE AND 2080' FEET FROM THE W LINE, SECTION 11 TOWNSHIP 28N RANGE 1 E NMPM.	10. Field and Pool, or Wildcat
15. Elevation (Show whether DF, RT, GR, etc.)	12. County Rio Arriba

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER <input type="checkbox"/>	OTHER <input type="checkbox"/>
PLUG AND ABANDON <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

The Oil Conservation Division has employed Bedford, Inc. to plug & abandon this well as follows:

1. Set plug from 1469' to 1300'
2. Cut & pull casing from below 500'
3. Set plug from 500' to 400'
4. Set P & A marker & clean location



18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED <u>Langford Bedford</u>	TITLE <u>Agent</u>	DATE <u>10-11-78</u>
APPROVED BY <u>AR Campbell</u>	TITLE <u>SUPERVISOR DIST. #3</u>	DATE <u>OCT 26 1973</u>
CONDITIONS OF APPROVAL, IF ANY:		



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

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

C E R T I F I C A T I O N

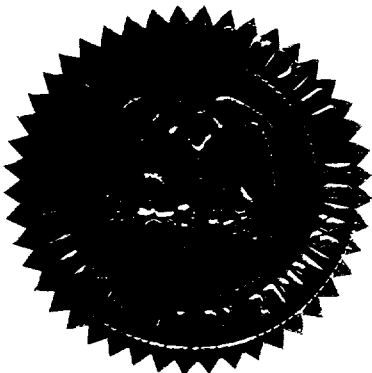
TO WHOM IT MAY CONCERN:

I, JOE D. RAMEY, Director of the Oil Conservation Division of the New Mexico Energy and Minerals Department, do hereby certify that the attached is a true and correct copy of the well records on file in this office for the Pound Ranch "B" Well No. 27, Unit B, Section 27, Township 28 North, Range 1 East, Rio Arriba County, New Mexico.



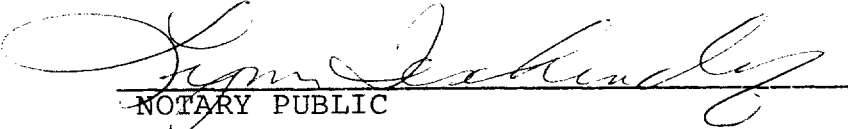
JOE D. RAMEY, Director

December 21, 1978



STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 21st day of December, 1978.



NOTARY PUBLIC

My Commission Expires:

5-21-82

LAND OFFICE	
TRANSPORTER	
OPERATION OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Revised (12/1/55)

NOTICE OF INTENTION TO DRILL

Notice must be given to the District Office of the Oil Conservation Commission and approval obtained before drilling or recompletion begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in QUINTUPPLICATE. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission. If State Land submit 6 Copies Attach Form C- 128 in triplicate to first 3 copies of form C-101

Fort Tio, New Mexico

(Place)

June 12, 1961

(Date)

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Gentlemen:

You are hereby notified that it is our intention to commence the Drilling of a well to be known as

Tamanaco Oil Corporation

(Company, or Operator)

County Lease

(Lease)

Well No. 27-0

(Unit)

located 1250 feet from the North line and 1501 feet from the

South

line of Section 27

T23 N4

R. 2 E

NMPM.

(GIVE LOCATION FROM SECTION LINE)

Pool,

Rio Arriba

County

If State Land the Oil and Gas Lease is No.

If patented land the owner is Dr. M. A. Maddox

Address Box 1654, Amarillo, Texas

We propose to drill well with drilling equipment as follows:

Drilling 1500 portable rotary using 950 G.F.N. aircompressor

The status of plugging bond is Nation Nido

Drilling Contractor Jewel Adkinson, 201 Wyoming S.E., Albuquerque, N.M.

We intend to complete this well in the Gypsum or Dakota

formation at an approximate depth of 1450 to 1900 feet.

CASING PROGRAM

We propose to use the following strings of Casing and to cement them as indicated:

Size of Hole	Size of Casing	Weight per Foot	New or Second Hand	Depth	Sacks Cement
3 1/2"	7"	22#	New	250'	circulated
5"	4 1/2"	9 7/8"	New	to production	50 sacks

If changes in the above plans become advisable we will notify you immediately.

ADDITIONAL INFORMATION (If recompletion give full details of proposed plan of work.)

Approved
Except as follows:

Subject to approval of
NOD standard unit

OIL CONSERVATION COMMISSION

Sincerely yours,

Tamanaco Oil Corporation

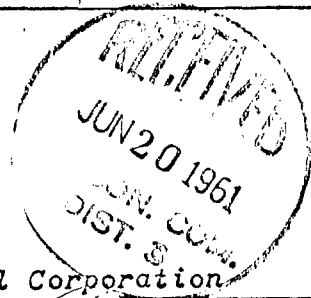
(Company or Operator)

By

Position President

Send Communications regarding well to

Name H. K. Riddle



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT
 SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

Revised 5/17/51

TABLE 1	
FILE	
LAND OFFICE	
TRANSPORTER	OIL
	GAS
REGISTRATION OFFICE	
OPERATOR	

SECTION A

Operator TAMANAGO OIL CORPORATION		Lease POUND RANCH		Well No. 27-B
Unit Letter B	Section 27	Township 28 NORTH	Range 1 EAST	County RIO ARriba

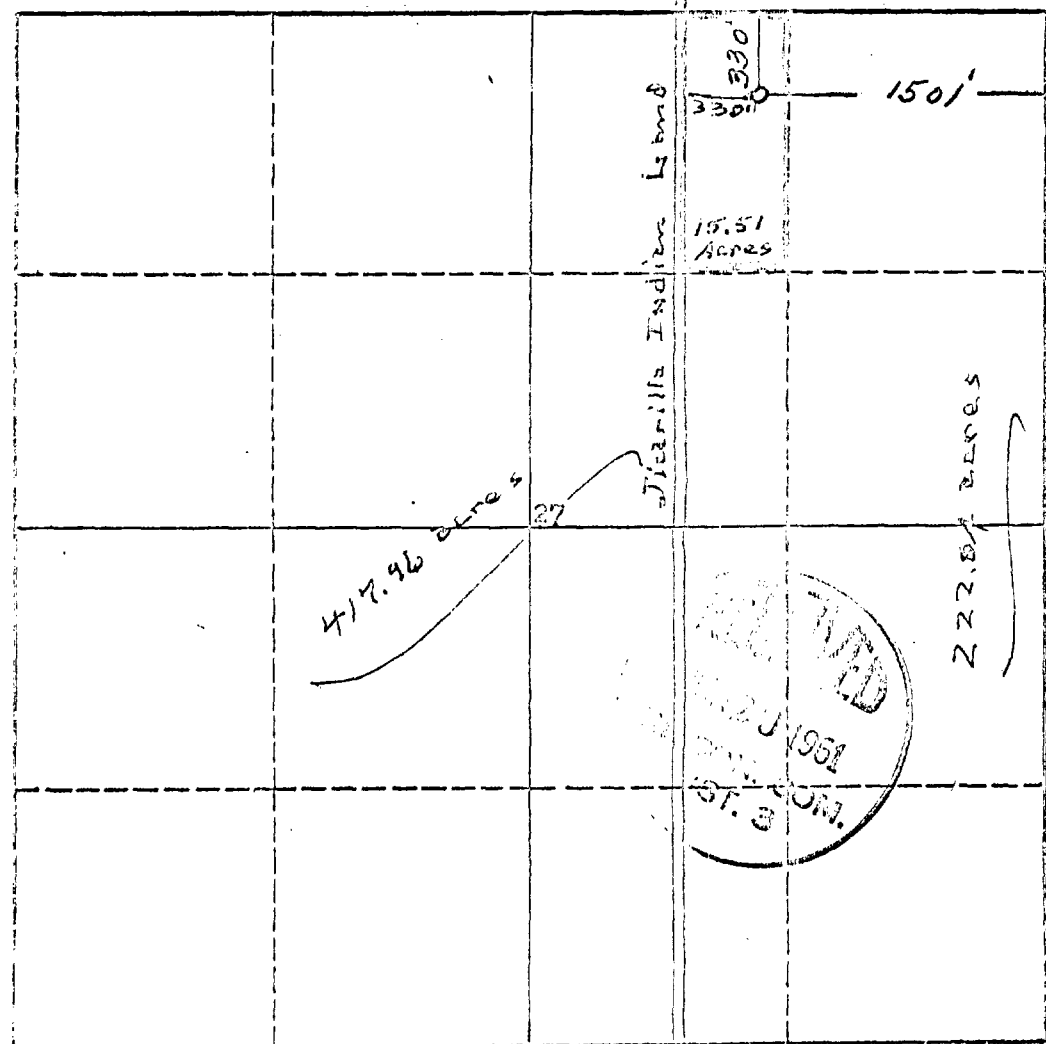
Actual Footage Location of Well: **300** feet from the **NORTH** line and **1501** feet from the **EAST** line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage: Acres
Location based on extension of U.S. Public survey lines North and East from Jicarilla Indian Reservation			

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ____ ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ____ NO ____ . If answer is "yes," Type of Consolidation ____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B



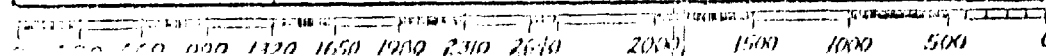
CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name	<i>W. H. R. R. R.</i>
Position	<i>Pres.</i>
Company	<i>Tamanago Oil Corp.</i>
Date	<i>6-19-51</i>

I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed	<i>6-19-51</i>
Registered Professional Engineer and/or Land Surveyor	<i>G. H. Fenton</i>
Certificate No.	<i>112</i>



NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

MISCELLANEOUS NOTICES

Submit this notice in TRIPLICATE to the District Office, Oil Conservation Commission, 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 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.

Indicate Nature of Notice by Checking Below

NOTICE OF INTENTION TO CHANGE PLANS	<input checked="" type="checkbox"/>	NOTICE OF INTENTION TO TEMPORARILY ABANDON WELL		NOTICE OF INTENTION TO DRILL DEEPER	
NOTICE OF INTENTION TO PLUG WELL		NOTICE OF INTENTION TO PLUG BACK	<input checked="" type="checkbox"/>	NOTICE OF INTENTION TO SET LINER	
NOTICE OF INTENTION TO SQUEEZE		NOTICE OF INTENTION TO ACIDIZE		NOTICE OF INTENTION TO SHOOT (Nitro)	
NOTICE OF INTENTION TO GUN PERFORATE		NOTICE OF INTENTION (OTHER) <u>Acidizing</u>	<input checked="" type="checkbox"/>	NOTICE OF INTENTION (OTHER)	

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Park View, New Mexico
(Place)

Sept. 16, 1961
(Date)

Gentlemen:

Following is a Notice of Intention to do certain work as described below at the.....

Manasco Oil Corporation Round Ranch Well No. 27-B in.....
(Company or Operator) Lease (Unit)
1/4 1/4 of Sec. 27, T. 26 N., R. 1 E. NMPM., Pool
(40-acre Subdivision)
Rio Arriba County.

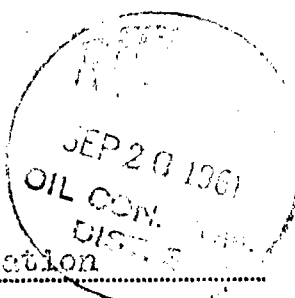
FULL DETAILS OF PROPOSED PLAN OF WORK
(FOLLOW INSTRUCTIONS IN THE RULES AND REGULATIONS)

Water was encountered below 250' of cemented 7" surface pipe and location was moved 100' south from original location.
Was drilled 1928' and plugged back with heavy mud to 977'. A cement plug was spotted from 977' to 877'. 4 1/2" casing (9 3/4") was cemented with 30 sacks in a 6" hole at 831'. Awaiting cable tools to swab and clean up after spotting 2 bbls of acid, H.C.L. 15% after blowing dry with compressor.

On August 27, '61 Schlumberger ran Gamma-Ray to total depth of 1928'.

Approved..... SEP 20 1961....., 19.....
Except as follows:

Approved
OIL CONSERVATION COMMISSION
By Original Signed Emery C. Arnold
Title Supervisor, Dist. # 3



Manasco Oil Corporation
.....
Company or Operator
By H. K. Riddle
Position President
Send Communications regarding well to:
Name H. K. Riddle
Address Park View, N. M.

NUMBER OF COPIES RECEIVED	
OFFICE	DATE
FILE	
U.S.G.S.	
LAND OFFICE	
TRANSPORTED	OIL
	GAS
REGISTRATION OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company Tamamaco Oil Corporation				Address Park View, New Mexico			
Lease Round Ranch	Well No. 27-B	Unit Letter	Section 27	Township 28 N.,	Range 1 E.		
Date Work Performed During August, '61				County Rio Arriba			

THIS IS A REPORT OF: (Check appropriate block)

- ☐ Beginning Drilling Operations
 ☒ Casing Test and Cement Job
 ☒ Other (Explain):
☒ Plugging Back
 ☐ Remedial Work

Detailed account of work done, nature and quantity of materials used, and results obtained.

During July '61 well was commenced, 250' of 7" casing cemented and water encountered at 300' making air drilling impossible. Moved location 100' south and set 389.64' of 7" casing. Second hole commenced Aug. 8th., 1961. Drilled with air (Star Drilling Company) to 711', encountered water and converted to mud drilling. Drilled to 1213' and set 4 1/2" casing. Drilled with air to 1928'. Filled hole with heavy mud and spotted 100' cement plug from 877' to 977'. Set and cemented with 30 sacks, 4 1/2" casing at 831'. Spotted two bbls of N.C.A. 15% acid over open hole. Could not blow out with tubing set near bottom and with 100# air compressor. Awaiting cable tools to swab and clean. Pulled 80,000# on 7" but could not move. Plan to jack loose and pull, then cement 60' of casing, 7" with cement circulated to top.

Witnessed by Howard Lynn	Position Free.	Company Star Drilling Company
------------------------------------	--------------------------	---

FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

ORIGINAL WELL DATA

D F Elev. 7109'	TD 1928	P BTD 877'	Producing Interval	Completion Date
Tubing Diameter 2 3/8"	Tubing Depth 877'	Oil String Diameter 4 1/2"	Oil String Depth 831'	
Perforated Interval(s)				
Open Hole Interval 831' - 877'			Producing Formation(s) Maybe Tocito	

RESULTS OF WORKOVER

Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD
Before Workover						
After Workover						

OIL CONSERVATION COMMISSION

I hereby certify that the information given above is true and complete to the best of my knowledge.

Approved by Original Signed Emery C. Arnold	Name [Signature]
Title Supervisor Dist. # 3	Position Pres.
	Company Tamamaco Oil Corporation

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company Tamanaco Oil Corporation		Address 644 East Barcelona Rd., Santa Fe, N. M.				
Lease Pound Ranch	Well No. 27-B	Unit Letter	Section B-27	Township 28 N.	Range 1 E.	
Date Work Performed	Pool			County Rio Arriba		

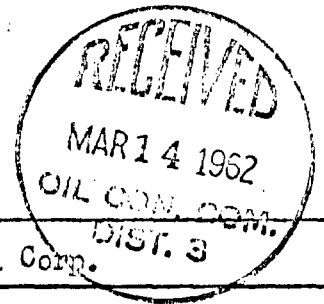
THIS IS A REPORT OF: (Check appropriate block)

- ☐ Beginning Drilling Operations
 ☐ Casing Test and Cement Job
 ☒ Other (Explain):
 Operations suspended.
- ☐ Plugging
 ☐ Remedial Work

Detailed account of work done, nature and quantity of materials used, and results obtained.

250' of 7" casing was set for surface pipe, cement circulated to surface. Water was encountered at 300' to make air drilling impractical and hole was abandoned. Water stands almost to the surface. The landowner, or this Company, may want to pump and use water from this well this summer. If and when we do we will file proper affidavit of conversion to water well. Until this is decided, we would like to leave the well in suspension.

A four foot nipple is screwed into the casing, making it 4' above the ground, and a plate welded over it - completely shutting the well in.



Witnessed by H. K. Riddle	Position President	Company Tamanaco Oil Corp.
------------------------------	-----------------------	-------------------------------

FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

ORIGINAL WELL DATA

D & Elev.	TD	PBTD	Producing Interval	Completion Date
Tubing Diameter	Tubing Depth	Oil String Diameter	Oil String Depth	

Perforated Interval(s)	Producing Formation(s)
Open Hole Interval	

RESULTS OF WORKOVER

Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD
Before Workover						
After Workover						

OIL CONSERVATION COMMISSION

I hereby certify that the information given above is true and complete to the best of my knowledge.

Approved by Original Signed Emery C. Amodeo	Name <i>Emery C. Amodeo</i>
Title Supervisor Dist. # 3	Position President
Date MAR 14 1962	Company Tamanaco Oil Corporation

Depth Cleared Out

If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto

Rotary tools were used from 0 feet to 12.0' feet, and from _____ feet to _____ feet.
Cable tools were used from _____ feet to _____ feet, and from _____ feet to _____ feet.

Put to Producing....., 19.....

OIL WELL: The production during the first 24 hours was.....barrels of liquid of which.....% was
was oil;% was emulsion;% water; and.....% was sediment. A.P.I.
Gravity.....

GAS WELL: The production during the first 24 hours was.....M.C.F. plus.....barrels of
liquid Hydrocarbon. Shut in Pressure.....lbs.

Length of Time Shut in.....

PLEASE INDICATE BELOW FORMATION TOPS (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE):

Northwestern New Mexico

T. Anhy.....	T. Devonian.....	T. Ojo Alamo.....
T. Salt.....	T. Silurian.....	T. Kirtland-Fruitland.....
B. Salt.....	T. Montoya.....	T. Farmington.....
T. Yates.....	T. Simpson.....	T. Pictured Cliffs.....
T. 7 Rivers.....	T. McKee.....	T. Menefee.....
T. Queen.....	T. Ellenburger.....	T. Point Lookout.....
T. Grayburg.....	T. Gr. Wash.....	T. Mancos.....
T. San Andres.....	T. Granite.....	T. Dakota.....
T. Glorieta.....	T.	T. Morrison.....
T. Drinkard.....	T.	T. Penn.....
T. Tubbs.....	T.	T.
T. Abo.....	T.	T.
T. Penn.....	T.	T.
T. Miss.....	T.	T.

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
1000	1000		Gelina				
1000	1000		Shinarump				
1000	1000		Dakota				

I hereby swear or affirm that the information given herewith is a complete and correct record of the well and all work done on it so far as can be determined from available records.

..... Jan. 26, 1943
(Date)

Company or Operator.....

Address 6600 N. 7th Avenue, N. H.

Name.....

Mr. President

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE NO. 5002
Order No. R-4576

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION COMMISSION ON ITS
OWN MOTION TO PERMIT TAMANACO OIL CORP-
ORATION AND CONTINENTAL CASUALTY COMPANY
AND ALL OTHER INTERESTED PARTIES TO
APPEAR AND SHOW CAUSE WHY THE POUND RANCH
"B" WELL NO. 27 LOCATED IN UNIT B OF
SECTION 27, TOWNSHIP 28 NORTH, RANGE 1
EAST, RIO ARriba COUNTY, NEW MEXICO, SHOULD
NOT BE PLUGGED AND ABANDONED IN ACCORDANCE
WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 20, 1973, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of June, 1973, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

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

(2) That Tamanaco Oil Corporation is the owner and operator of the Pound Ranch "B" Well No. 27, located in Unit B of Section 27, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.

(3) That in order to prevent waste and protect correlative rights said Pound Ranch "B" Well No. 27 should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Commission on or before August 1, 1973.

Case No. 5002

Order No. R-4576

IT IS THEREFORE ORDERED:

(1) That Tamanaco Oil Corporation and Continental Casualty Company are hereby ordered to plug and abandon the Pound Ranch "B" Well No. 27, located in Unit B of Section 27, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico, on or before August 1, 1973.

(2) That Tamanaco Oil Corporation and Continental Casualty Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Aztec Office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

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

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

ac/

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U.S.G.S.	
LAND OFFICE	
OPERATOR	1

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	
State <input type="checkbox"/>	Fee <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	7. Unit Agreement Name
2. Name of Operator	8. Farm or Lease Name
Bedford, Inc. for Tamanaco Oil Corp. & State of New Mexico	Pound Ranch
3. Address of Operator	9. Well No.
P. O. Box E, Farmington, New Mexico 87401	27
4. Location of Well	10. Field and Pool, or Wildcat
UNIT LETTER <u>B</u> , <u>330</u> FEET FROM THE <u>N</u> LINE AND <u>1501</u> FEET FROM THE <u>E</u> LINE, SECTION <u>27</u> TOWNSHIP <u>28N</u> RANGE <u>1 E</u> NMPM.	
15. Elevation (Show whether DF, RT, GR, etc.)	12. County
	Rio Arriba

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

The Oil Conservation Division has employed Bedford, Inc. to plug & abandon this well as follows:

1. Tag plug back @ 877'
2. Set plug from 877' to 730'
3. Perf. @ 400' & plug from 400' to 300' inside and outside of casing
4. Set P & A marker & clean location



18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED <u>[Signature]</u>	TITLE <u>Agent for State</u>	DATE <u>10-15-78</u>
APPROVED BY <u>[Signature]</u>	TITLE <u>SUPERVISOR DIST. 3</u>	DATE <u>OCT 26 1978</u>
CONDITIONS OF APPROVAL, IF ANY:		

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LAND OFFICE	
OPERATOR	/

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	
State <input type="checkbox"/>	Fee <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT - A" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		7. Unit Agreement Name
2. Name of Operator Bedford, Inc. for Tamenaco Oil Corp. & State of New Mexico		8. Farm or Lease Name Pound Ranch
3. Address of Operator P. O. Box E, Farmington, New Mexico 87401		9. Well No. 27
4. Location of Well UNIT LETTER B, 330 FEET FROM THE N LINE AND 1501 FEET FROM THE E LINE, SECTION 27 TOWNSHIP 28N RANGE 1 E NMPM.		10. Field and Pool, or Wildcat
15. Elevation (Show whether DF, RT, GR, etc.)		12. County Rio Arriba

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK	<input type="checkbox"/>
TEMPORARILY ABANDON	<input type="checkbox"/>
PULL OR ALTER CASING	<input type="checkbox"/>
OTHER	<input type="checkbox"/>

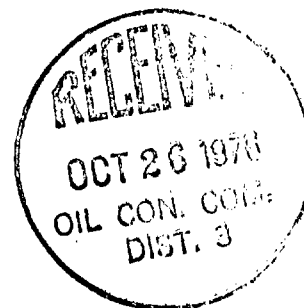
PLUG AND ABANDON	<input type="checkbox"/>
CHANGE PLANS	<input type="checkbox"/>
OTHER	<input type="checkbox"/>

SUBSEQUENT REPORT OF:	
REMEDIAL WORK	<input type="checkbox"/>
COMMENCE DRILLING OPNS.	<input type="checkbox"/>
CASING TEST AND CEMENT JOBS	<input type="checkbox"/>
OTHER	<input type="checkbox"/>
ALTERING CASING	<input type="checkbox"/>
PLUG AND ABANDONMENT	<input checked="" type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

This well has been plugged & abandoned as follows:

10-16-78 Move in & Rig up
10-17-78 Ran tbg. in hole, tag plug @ 854' Spot 11 sx plug on bottom
10-18-78 Perf 4 holes @ 410' - Attempt to circulate. Perf. 4 holes @ 395' to 300'. Set P & A marker & clean location



18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED <u>Lang is Bedford</u>	TITLE <u>Agent for State</u>	DATE <u>10-26-78</u>
APPROVED BY <u>Al Kendrick</u>	TITLE <u>SUPERVISOR DIST. 3</u>	DATE <u>OCT 26 1978</u>
CONDITIONS OF APPROVAL, IF ANY:		

5-21-82

OIL CONSERVATION COMMISSION

1000 RIO BRAZOS ROAD

AZTEC, NEW MEXICO

Well file

5002
Case 4502

November 16, 1961

Tamamaco Oil Company
c/o Jack Cooley, Agent
Farmington, New Mexico

Dear Jack:

Our well file on Tamamaco's El Foso Ranch "B" #11 well in unit H, Section 11-28N-1E shows that the well was spudded 1/1/61 and a G-103 was filed indicating production casing was set and cemented. No subsequent reports have been filed showing whether production was obtained or whether the well was a dry hole.

Will you please submit miscellaneous reports on this well in order that we may issue plugging instructions if necessary. Form G-105 Well Record Form should also be filed.

Yours very truly

Henry C. Arnold
Supervisor, District #3

HC:ks

cc: Oil Conservation Commission
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

5002
Case 4502

May 10, 1963

Tammanco Oil Company
c/o Verity, Burr & Cooley
152 Petroleum Center Building
Farmington, New Mexico

Re: #11 El Poso Ranch "N"
N-11-20N-1E, Rio Arriba County

Gentlemen:

Notice of Intention to Drill was filed on the above well on December 16, 1960. Subsequent notices were received indicating that the well was spudded January 1, 1961 and that 5½" casing was cemented at 1550' with 60 sacks.

The well has evidently been in a temporarily abandoned status since that date. We presume that no further attempt will be made by the operator to complete the well as a producing well and therefore are directing that it be plugged in accordance with New Mexico Oil Conservation Commission rules and regulations. Form C-102 should be filed showing the plugging program along with Form C-105, Well Record Form, indicating formations penetrated. In the event some action is not taken within the next 30 days it is our intention to set the matter for hearing in order that the operator and the bonding company may show cause why the well should not be plugged and abandoned.

Yours very truly

ECA:ks

Emery C. Arnold
Supervisor, District #3

cc: Continental Casualty Company,
2975 Wilshire Boulevard
Los Angeles 5, California

Oil Conservation Commission
Box 871
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION

1000 RIO BRAZOS ROAD

AZTEC, NEW MEXICO

May 10, 1963

Tamano Oil Company
c/o Verity, Burr & Cooley
152 Petroleum Center Building
Farmington, New Mexico

Re: #27 Pound Ranch "B"
E-27-26N-1E, Rio Arriba County

Gentlemen:

Notice of Intention to Drill was filed on the above well on June 20, 1961. Subsequent reports were filed indicating that it was drilled to the Dakota Formation and that 4 $\frac{1}{2}$ " casing was cemented at 031'.

The well has evidently been in a temporarily abandoned status since that date. We presume that no further attempt will be made by the operator to complete the well as a producing well and therefore are directing that it be plugged in accordance with New Mexico Oil Conservation Commission rules and regulations. Form C-102 should be filed showing the plugging program, along with Form C-105, Well Record Form, indicating formations penetrated. In the event some action is not taken within the next 30 days it is our intention to set the matter for hearing in order that the operator and the bonding company may show cause why the well should not be plugged and abandoned.

Yours very truly

Emery C. Arnold
Supervisor, District #3

ECA:ks

cc: Continental Casualty Company
2975 Wilshire Boulevard
Los Angeles 5, California

Oil Conservation Commission
Box 871
Santa Fe, New Mexico

H. K. Riddle

OIL AND GAS PRODUCER

1400 MESILLA, N.E.
ALBUQUERQUE, NEW MEXICO

September 26 1963



New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico

Gentlemen:

Enclosed is Form C-105 in quintuplicate, WELL RECORD on Tamanaco Oil Corp.
27- B Pound Ranch well.

We reported to you on Form C-103 on March 14, 1962 that 250' of 7" casing was cemented to surface. Air drilling encountered water at 300' and rig was moved 100' south and redrilled. A 4" nipple is screwed into this 7" surface pipe from the ground up, and a plate welded over the top. This water well is left insuspension, pending use required by the landowner as a water well.

Reported to you on Form C-103 On Sept. 20, 1961 was the following;

In the second hole, high gas pressures required very heavy mud to prevent blow-out while drilling from about 790' until we set 4½" at 1213'. Then we ^{casing} ~~air~~ drilled on to 1928', pumped our heaviest mud from the pit to fill hole, lifted ~~and pipe~~ up to 977', spotted cement back to 877'. Then we cemented 4½" at 831' with 30 sacks. After 36 hours pump pressure circulated so Dowell came again, cemented with another 60 sacks. The gas pressure kept working and bubbling around the casing during the setting period, so the first cement job did not hold, the second did. We estimate that cement is all the way back up to and around the 389.64' of 7" since we pulled 80,000 # on the 7" and could not pull it.

The gas is probably at around 790' and by perforating, we think this well could be made commercial. There is no pipeline within miles, however, the new dam to be built above El Vado Lake may create a market for this gas for their shops and buildings. A bullplug is screwed into the 4½" and bumped tight. This well with casing cemented all the way up within the surface pipe, will be left in suspension until such time as gas may be needed or marketed from this area.

Yours very truly,

TAMANACO OIL CORPORATION

BY:

H. K. Riddle
H. K. Riddle, President

Enclosure, Schlumberger, Gamma-Ray on this hole.

No. 635938

SENT TO Tamanaco Oil Corporation		POSTMARK OR DATE
STREET AND NO. Suite 1805 Nat. Building 505 Marquette, N.W.		
CITY, STATE, AND ZIP CODE Albuquerque, N.M. 87101		
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered <input type="checkbox"/> 50¢ fee		
FEES ADDITIONAL TO 20¢ FEE POD Form 3800 July 1963 NO INSURANCE COVERAGE PROVIDED— (See other side) NOT FOR INTERNATIONAL MAIL		

Case 5002

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S). REQUIRED FEE(S) PAID.	
<input type="checkbox"/> Show to whom, date and address where delivered	<input type="checkbox"/> Deliver ONLY to addressee

RECEIPT

Received the numbered article described below.

REGISTERED NO.	1 2 3	SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in) <i>Louis C. Jagan</i>
CERTIFIED NO. 635938		SIGNATURE OF ADDRESSEE'S AGENT, IF ANY <i>Louis C. Jagan</i>
INSURED NO.		
DATE DELIVERED 6-8-73		SHOW WHERE DELIVERED (only if requested)

c55-16-71548-11 347-198 GPO

No. 635921

RECEIPT FOR CERTIFIED MAIL—20¢

SENT TO Tamanaco Oil Corp.		POSTMARK OR DATE
STREET AND NO. Suite 1805 Nat. Bldg. 505 Marquette, N.W.		
CITY, STATE, AND ZIP CODE Albuquerque, N.M. 87101		
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered <input type="checkbox"/> 50¢ fee		
FEES ADDITIONAL TO 20¢ FEE POD Form 3800 July 1963 NO INSURANCE COVERAGE PROVIDED— (See other side) NOT FOR INTERNATIONAL MAIL		

Case 5001

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S). REQUIRED FEE(S) PAID.	
<input type="checkbox"/> Show to whom, date and address where delivered	<input type="checkbox"/> Deliver ONLY to addressee

RECEIPT

Received the numbered article described below.

REGISTERED NO.	1 2 3	SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in) <i>Louis C. Jagan</i>
CERTIFIED NO. 635921		SIGNATURE OF ADDRESSEE'S AGENT, IF ANY <i>Louis C. Jagan</i>
INSURED NO.		
DATE DELIVERED 6-8-73		SHOW WHERE DELIVERED (only if requested)

c55-16-71548-11 347-198 GPO

No. 635925

SENT TO Mr. H. K. Riddle		POSTMARK OR DATE
STREET AND NO. 1400 Mesilla, N. E.		
CITY, STATE, AND ZIP CODE Albuquerque, N. M. 87110		
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered If you want delivery only to addressee, check here <input type="checkbox"/> 50¢ fee		
FEEs ADDITIONAL TO 20¢ FEE		
POD Form 3800 July 1963 NO INSURANCE COVERAGE PROVIDED—NOT FOR INTERNATIONAL MAIL (See other side)		

SENDER: Be sure to follow instructions on other side

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S)
(Additional charges required for these services)☐ Show address where delivered☐ Deliver ONLY to addressee

RECEIPT

Received the numbered article described below

REGISTERED NO.

SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in)

CERTIFIED NO.

INSURED NO.

DATE DELIVERED

SHOW WHERE DELIVERED (Only if requested, and include ZIP Code)

RECEIPT FOR CERTIFIED MAIL—20¢

No. 635920

SENT TO Mr. H.K. Riddle		POSTMARK OR DATE
STREET AND NO. 1400 Mesilla, N.E.		
CITY, STATE, AND ZIP CODE Albuquerque, N.M. 87110		
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered If you want delivery only to addressee, check here <input type="checkbox"/> 50¢ fee		
FEEs ADDITIONAL TO 20¢ FEE		
POD Form 3800 July 1963 NO INSURANCE COVERAGE PROVIDED—NOT FOR INTERNATIONAL MAIL (See other side)		

SENDER: Be sure to follow instructions on other side

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S)
(Additional charges required for these services)☐ Show address where delivered☐ Deliver ONLY to addressee

RECEIPT

Received the numbered article described below

REGISTERED NO.

SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in)

CERTIFIED NO.

INSURED NO.

DATE DELIVERED

SHOW WHERE DELIVERED (Only if requested, and include ZIP Code)

RECEIPT FOR CERTIFIED MAIL—20¢

No. 635918

SENT TO TAMANACO OIL CORP.		POSTMARK OR DATE
STREET AND NO. 152 Petroleum Center Bldg.		
CITY, STATE, AND ZIP CODE Farmington, N. M. 87401		
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered If you want delivery only to addressee, check here <input type="checkbox"/> 50¢ fee		
FEES ADDITIONAL TO 20¢ FEE		
POD Form 3800 July 1963 NO INSURANCE COVERAGE PROVIDED— (See other side) NOT FOR INTERNATIONAL MAIL		

5001

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S). REQUIRED FEE(S) PAID.

☐ Show to whom, date and address where delivered ☐ Deliver ONLY to addressee

RECEIPT
Received the numbered article described below.

REGISTERED NO.	1 2 3	SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in) <i>Burr Cooley</i>
CERTIFIED NO. 635918		SIGNATURE OF ADDRESSEE'S AGENT, IF ANY <i>Jeppie Hutchinson</i>
INSURED NO.		
DATE DELIVERED JUN 8 1973		SHOW WHERE DELIVERED (only if requested)

c55-15-71548-11 347-198 GPO

RECEIPT FOR CERTIFIED MAIL—20¢

No. 635922

SENT TO Tamanaco Oil Corp.		POSTMARK OR DATE
STREET AND NO. 152 Petroleum Center Bldg.		
CITY, STATE, AND ZIP CODE Farmington, N. M. 87401		
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered If you want delivery only to addressee, check here <input type="checkbox"/> 50¢ fee		
FEES ADDITIONAL TO 20¢ FEE		
POD Form 3800 July 1963 NO INSURANCE COVERAGE PROVIDED— (See other side) NOT FOR INTERNATIONAL MAIL		

5002

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S). REQUIRED FEE(S) PAID.

☐ Show to whom, date and address where delivered ☐ Deliver ONLY to addressee

RECEIPT
Received the numbered article described below.

REGISTERED NO.	1 2 3	SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in) <i>Burr Cooley</i>
CERTIFIED NO. 635922		SIGNATURE OF ADDRESSEE'S AGENT, IF ANY <i>Jeppie Hutchinson</i>
INSURED NO.		
DATE DELIVERED JUN 8 1973		SHOW WHERE DELIVERED (only if requested)

c55-15-71548-11 347-198 GPO



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

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

C E R T I F I C A T I O N

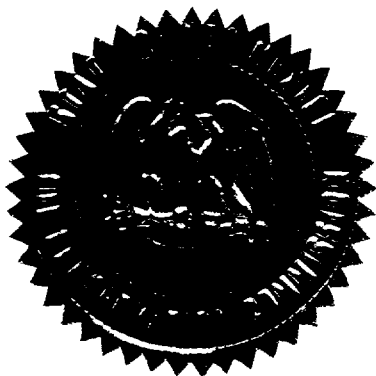
TO WHOM IT MAY CONCERN:

I, JOE D. RAMEY, Director of the Oil Conservation Division of the New Mexico Energy and Minerals Department, do hereby certify that the attached is a true and correct copy of the cover letter and docket on file in this office for the hearing to be held on June 20, 1973, in Case No. 5002.



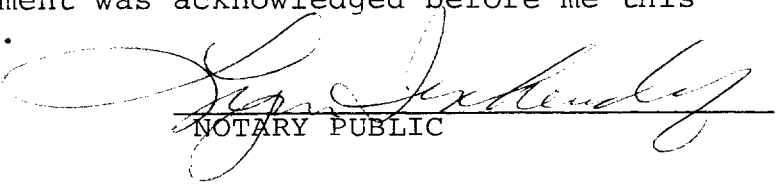
JOE D. RAMEY, Director

December 21, 1978



STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 21st day of December, 1978.



NOTARY PUBLIC

My Commission Expires:

5-21-82



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

June 7, 1973

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

CERTIFIED - RETURN
RECEIPT REQUESTED

Tamanaco Oil Corporation
c/o Verity, Burr & Cooley
152 Petroleum Center Building
Farmington, New Mexico 87401

Mr. H. K. Riddle
1400 Mesilla, N.E.
Albuquerque, New Mexico

Continental Casualty Company
2976 Wilshire Blvd.
Los Angeles, California

Tamanaco Oil Corporation
c/o Lorenzo Tapia, Esq.
Suite 1805 National Building
505 Marquette, N. W.
Albuquerque, New Mexico

Re: Pound Ranch "B" Well No. 27,
Unit B, Section 27, Township 28
North, Range 1 East, Rio Arriba
County, New Mexico, Continental
Casualty Company \$10,000 Blanket
Bond Form 39-A1

Gentlemen:

Enclosed is a copy of the docket of the Examiner
Hearing to be held on Wednesday, June 20, 1973, at 9:00
a.m. in the Oil Conservation Commission Conference Room,
State Land Office Building, Santa Fe, New Mexico. Case
No. 5002 concerns the subject matter.

Very truly yours,

WILLIAM F. CARR
Special Assistant Attorney General
Oil Conservation Commission

WFC/dr
enclosure
cc: Oil Conservation Commission - Aztec

DOCKET: REGULAR HEARING - WEDNESDAY - JUNE 20, 1973

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

CASE 4990: In the matter of the hearing called by the Oil Conservation Commission of New Mexico upon its own motion to consider the application of Thriftway Company, operator of a petroleum refinery in Bloomfield, New Mexico, for certification to the Commissioner of Public Lands as a small business enterprise within the state not having an adequate supply of charge stocks and eligible to be granted a preference, pursuant to Chapter 34, New Mexico Laws of 1967, for the purchase of state royalty oil. The Commission will consider the application and such pertinent evidence as may be submitted concerning the capacity of the refinery, the source and grade of all refinery charge stocks currently available to the applicant, the minimum amount and grade of additional refinery charge stocks needed to meet existing refinery commitments or existing refinery capacity, and the efforts made by applicant to purchase refinery charge stocks on the open market.

CASE 4991: Application of El Paso Natural Gas Company for the amendment of the prorated gas pool rules promulgated by Order No. R-1670, as amended.

Applicant, in the above-styled cause, seeks the amendment of the General Rules and Regulations for the Prorated Gas Pools of Northwest New Mexico and Southeast New Mexico, as promulgated by Commission Order No. R-1670, as amended. Applicant proposes:

1. That Rule 9 (B) of the Northwest New Mexico Gas Proration Rules and 10 (A) of the Southeast New Mexico Gas Proration Rules each be amended to provide that the monthly allowable assigned to a marginal well would be equal to its latest available monthly production.

2. That Rule 13 of the Northwest New Mexico and Southeast New Mexico Gas Proration Rules be amended to provide that the proration period would be the 12-month period from 7:00 a.m. April 1 of each year to 7:00 a.m. April 1 of the following year. (The current proration period, due to terminate at 7:00 a.m. January 1, 1974, would be extended to 7:00 a.m. April 1, 1974).

3. That Rule 16 (A) of the Northwest New Mexico and Southeast New Mexico Gas Proration Rules be amended to provide that each proration period consist of four classification periods for the purpose of classifying wells marginal, each such classification period being of three months duration; and to provide that after production data is available for the last month of each such classification period, any well which had an underproduced status at the beginning of the gas proration period would be classified marginal

(Case 4991 continued from Page 1)

if its highest single month's production during the classification period is less than its average monthly allowable for the classification period, unless within 15 days after receipt of notice of classification of a well as marginal, the operator of the well or other interested person presents satisfactory evidence to the Commission showing that the well is not of marginal character and should not be so classified.

Applicant, in addition to the above-requested specific rule changes, further requests such additional word changes in other orders and/or Rules of the Commission (including but not limited to Order No. R-333-F-1) as may be necessary to effectuate the substantive rule changes proposed herein.

- CASE 4992: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Corinne Grace and the Travelers Indemnity Company and all other interested parties to appear and show cause why the Ranger Lake Wells Nos. 1 and 3 located in Unit N of Section 11, Township 12 South, Range 34 East, Lea County, New Mexico should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 4993: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Corinne Grace and the Travelers Indemnity Company and all other interested parties to appear and show cause why the T. P. State Well No. 1 located in Unit A of Section 17, Township 10 South, Range 33 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 4994: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Glenn Petroleum Corporation and United States Fire Insurance Company and all other interested parties to appear and show cause why the Crosby Well No. 1 located in Unit O of Section 26, Township 7 South, Range 30 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 4995: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Glenn Petroleum Corporation and United States Fire Insurance Company and all other interested parties to appear and show cause why the Sanders Well No. 1 located in Unit N of Section 25, Township 7 South, Range 30 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

- CASE 4996: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit C. H. Brockett Inc. and the Indemnity Company and all other interested parties to appear and show cause why the Lazy J State "A" Well No. 1 located in Unit A of Section 3, Township 14 South, Range 33 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 4997: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Jal Fishing Tool Company and United States Fidelity & Guarantee Company and all other interested parties to appear and show cause why the H. Whitten Well No. 1 located in Unit C of Section 4, Township 24 South, Range 36 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 4998: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit E. P. Campbell and Aetna Casualty and Surety Company and all other interested parties to appear and show cause why the E. P. Campbell Christmas Well No. 1 located in Unit C of Section 6, Township 23 South, Range 36 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 4999: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Standard Production Company and Aetna Life & Casualty and all other interested parties to appear and show cause why the Brown Lease Wells Nos. 1, 2, 3, 4, 5, and 5-A, located in Units F, D, C, F, E, and E, respectively, of Section 25, Township 25 South, Range 36 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program, and why the location of Well No. 6 in Unit L and No. 7 in Unit M of said Section 25 should not be cleaned and levelled.
- CASE 5000: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Aztec Oil and Gas Company and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Aztec Totah Unit Wells Nos. 17 and 18, located in Unit E of Section 20, and Unit H of Section 19, respectively, Township 29 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5001: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Tamanaco Oil Corporation and Continental Casualty Company and all other interested parties to appear and show cause why the El Poso Ranch "N" Well No. 11 located in Unit N of Section 11, Township 28 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5002: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Tamanaco Oil Corporation and Continental Casualty Company and all other interested parties to appear and show cause why the Pound Ranch "B" Well No. 27 located in Unit B of Section 27, Township 28 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5003: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Dan M. Lockie and Hartford Fire Insurance Company Group and all other interested parties to appear and show cause why the Dan M. Lockie, Gersbach Com #1 located in Unit J of Section 3, Township 29 North, Range 16 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5004: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Pettus and Associates and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Pettus and Associates, Hunt Well No. 1 located in Unit K of Section 3, Township 29 North, Range 16 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5005: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Pettus and Associates and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Pettus and Associates, Don Stock Well No. 1 located in Unit E of Section 3, Township 29 North, Range 16 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5006: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Aztec Oil and Gas Company and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Southeast Cha Cha Unit Well No. 1 located in Unit M of Section 32, Township 29 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4989: (Continued from the June 6, 1973, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the amendment of the general rules governing prorated gas pools in Northwest and Southeast New Mexico as promulgated by Order No. R-1670, as amended. Rule 15 of the aforesaid general rules would be amended to provide that if a well is overproduced in an amount exceeding six times its average monthly allowable for the preceding twelve months (or, in the case of a newly connected well or a well in a newly prorated pool, six times its average monthly allowable for the months available), it shall be shut in during that month and each succeeding month until it is overproduced in an amount less than six times its average monthly allowable, as determined above.

Rule 15 would be further amended to permit the Secretary-Director of the Commission to grant a pool-wide moratorium of up to three months on the shutting in of gas wells during periods of high demand emergency if a significant number of the wells in the pool are subject to being shut in.



Dec. 12, 1973

Oil Conservation Commission
State of New Mexico
Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. William F. Carr, General Counsel

Re: Tamanaco Oil Corp. wells 11N and 27B,
T. 28 N., R. 1 E., Rio Arriba County;
Plugging and abandoning.

Dear Mr. Carr:

We have continuously contacted various well plugging contractors and casing pullers since June of this year to abandon the captioned wells. Two of them are making promises to do the job, but always with the advice of delays. Bedford Inc. of Farmington is now saying that he can do the job 30 to 60 days from now, but last summer he said the same thing, when weather was good. From now on, through the winter, it may become impossible.

I have a contractor friend who has drilled some wells near Chama; Bob Grimm Drilling Co. of Belen, is coming by Sunday and we are going up there to look at the road conditions, etc;. He will be moving his rig out of that area soon, and agrees that if he can get onto these locations he will do the job for me. I am afraid that my promises can be no better than the ones I am getting from these various contractors. Grimm has been promising me to do this for two months now, however, I pinned him down at lunch this week and I believe he is going to perform.

I wish to advise you that I pumped the 27 B well, at about 5 bbls per day, not too long ago with some consideration of producing it.. It makes no water, and enough gas to fuel the pump engine. Grimm is interested in looking into this possibility, of producing the well and perhaps drilling another. He would abandon the 11 N well for the casing from it. I might add, the 11 N well will make enough gas to supply some industry or homes; is a shut in gas well. With these facts in mind, and since casing is cemented in both wells I can see no big damage they are causing and time is of no particular concern.

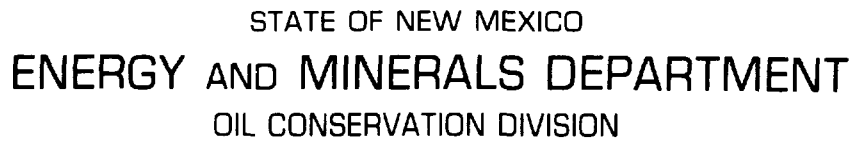
Yours very truly,

Tamanaco Oil Corporation

By: H. K. Riddle

cc: CNA Insurance
Chicago, Illinois.

EXHIBIT A



5-21-82

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

December 17, 1973

Mr. H. K. Riddle
Tamanaco Oil Corporation
Rt. 5, Box 5466
Albuquerque, New Mexico 87112

Re: Tamanaco Oil Corp. Wells 11 N and 27 B,
Township 28 North, Range 1 East, Rio
Arriba County, New Mexico, Plugging
and Abandoning

Dear Mr. Riddle:

I have read with interest your letter of December 12, 1973, in which you outline the efforts you have made to get the above-captioned wells plugged and abandoned as provided by Oil Conservation Commission Order No. R-4575, a copy of which is attached. I find it curious that you would have such a difficult time getting these plugged when other operators encounter no such problems. Perhaps you should attempt to get some other individuals to plug these wells -- individuals who could give you more reliable promises.

The comments which you made concerning the interest you and Mr. Bob Grimm have in putting the 27 B Well on production, if valid, should have been made before the Commission on June 20, 1973, pursuant to the notice which I sent to you by certified mail on June 7, 1973. I also have a return receipt signed by one Donna Riddle on this letter.

Since you elected not to appear at that hearing, Order No. R-4575 was entered. If you were not satisfied with this order, you had 20 days within which to apply for a rehearing under Section 65-3-22 New Mexico Statutes Annotated 1953. Since you elected not to apply for a rehearing, the order became final on July 19, 1973, and must be obeyed.

As to your statement that "time is of no particular concern.", the following may be of interest to you:

1. Since August 1, 1973, Tamanaco Oil Corporation has been in violation of Commission Order No. R-4575 and liable for penalties for such violation.

EXHIBIT B

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Mr. H. K. Riddle

-2-

December 17, 1973

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2. The Commission has received repeated excuses for the operator's failure to obey this order.
 3. The Commission made a plugging demand on the surety, Continental Casualty, on September 26, 1973, which was reaffirmed on October 17, 1973.
 4. Mr. Riddle's letter of December 12, 1973, is the first written correspondence with the legal division of the Oil Conservation Commission since June, 1973.
 5. That on January 7, 1973, at 10:00 a.m. the Oil Conservation Commission intends to file a complaint in District Court naming Tamanaco Oil Corporation, H. K. Riddle and CNA Insurance as defendants, seeking compliance with Oil Conservation Commission Order No. R-4575, performance under the Tamanaco \$10,000 Plugging Bond and all appropriate fines. (Section 65-3-27 (b) N.M.S.A., 1953, provides for fines of up to \$1,000 per day for each day a Commission order is violated.)

It appears to me, that unlike the representation in your letter of December 12, 1973, time is of particular concern -- particularly to you and Tamanaco Oil Corporation. The Commission does not appreciate either your repeated excuses concerning the plugging of these wells nor the attitude of your letter of December 12 in which you determine that these wells, in their present condition, are causing no damage and that time is of no particular concern.

I trust you will promptly take care of this matter. When you plug these wells you must first contact our Aztec office so that a Commission representative can be present to witness the plugging. You may direct any further questions to me or to Mr. Al Kendrick in the Aztec office.

Sincerely,

WILLIAM F. CARR
General Counsel

WFC/dr
enclosure

cc: Mr. Al Kendrick
CNA Insurance



January 15, 1974

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. William F. Carr, General Counsel

Re: Tamanaco Oil Corporation
Wells 11 N and 27 B., 28 N. 1 E.

Dear Mr. Carr:

Since our efforts to plug the captioned wells in accordance with your letter of Dec. 17th., we have been advised by Mr. J. W. Neal of Hobbs, attorney for Dr. Maddox who owns the Pound and El Poso Ranches upon which said wells are located, that they do not want the wells plugged; that they could use gas from either well for heating their ranch headquarters located nearby; that they want the oil well pumped and perhaps other wells drilled.

Grimm Drilling Company has moved a rotary rig as near to the locations as they can get until snow and road conditions improve. They are interested in either plugging the wells, which I cannot now do, or in drilling another or other wells.

I believe Mr. Neal said that he and Dr. Maddox, with me, would come to Santa Fe to see you about this matter in the near future.

Yours very truly,

A handwritten signature in dark ink, appearing to read 'H. K. Riddle', is written over the typed name.

H. K. Riddle

cc: Mr. J. W. Neal, Attorney
Box 278
Hobbs, New Mexico

EXHIBIT C



RULE 201. NOT.

Notice of intention to plug must be filed with the Commission by the owner or his agent prior to the commencement of plugging operations on Form C-103, Sundry Notices and Reports on Wells, which notice shall state the name and location of the well and the name of the operator. In the case of a newly completed dry hole, the operator may commence plugging by securing the approval of the Commission as to the method of plugging and the time plugging operations are to begin. He shall, however, file the regular notification form.

RULE 202. METHOD OF PLUGGING

(a) Before any well is abandoned, it shall be plugged in a manner which will permanently confine all oil, gas, and water in the separate strata originally containing them. This operation shall be accomplished by the use of mud-laden fluid, cement and plugs, used singly or in combination, as may be approved by the Commission. The exact location of abandoned wells shall be shown by a steel marker at least four inches in diameter set in concrete and extending at least four feet above mean ground level. The name and number of the well and its location (unit letter, section, township, and range) shall be welded, stamped, or otherwise permanently engraved into the metal of the marker. Seismic, core or other exploratory holes drilled to or below sands containing fresh water shall be plugged and abandoned in accordance with the applicable provisions recited above. Permanent markers are not required on seismic holes.

Within thirty days following the completion of plugging operations on any well, a record of the work done shall be filed with the Commission in TRIPLICATE, on Form C-103. Such report shall be filed by the owner of the well and shall include the date the plugging operations were begun along with the date the work was completed; a detailed account of the manner in which the work was performed; the depths and lengths of the various plugs set; the nature and quantities of materials employed in plugging operations; the amount, size, and depth of all casing left in the hole and the weight of mud employed in plugging the well and any other pertinent information. No plugging report submitted on Form C-103 shall be approved by the Commission unless such report specifically states that pits have been filled and the location levelled, and cleared of junk. The filing of Form C-105, Well Completion or Recompletion Report and Log, is also necessary to obtain Commission approval of a plugging report.

It shall be the responsibility of the owner of the plugged well to contact the appropriate District Office of the Commission to arrange for an inspection of the plugged well and the location by a Commission representative.

(b) If a well is to be abandoned temporarily and no casing pulled, then a plug shall be placed at the top and bottom of the casing in such manner as to prevent the intrusion of any foreign matter into the well and a record of the work done shall be filed with the Commission in TRIPLICATE on Form C-103 within thirty days following the completion of the temporary plugging operations.

(c) When drilling operations have been suspended for sixty days, the well shall be plugged and abandoned unless a permit for temporary abandonment has been obtained from the Commission.

RULE 203. WELLS TO BE USED FOR FRESH WATER

When the well to be plugged may safely be used as a fresh water well and such utilization is desired by the landowner, the well need not be filled above a sealing plug set below the fresh water formation, provided that written agreement for such use shall be secured from the landowner and filed with the Commission.

RULE 204. LIABILITY

The owner of any well drilled for oil or gas, or any seismic, core or other exploratory holes, whether cased or uncased, shall be responsible for the plugging thereof.



RECEIVED

FEB 23 1978

Oil Conservation Commission

Feb. 23, 1978

Mr Lynn Teschendorf
Assistant District Attorney
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

I have just returned to Albuquerque to receive from Tapia & Campos, Attorneys, the Interrogatories you requested in connection with the Oil Conservation Comm. vs. Tamanaco.

I will answer your questions by the numbers.

1. Yes, as above letter head.
2. Yes.
3. We obtained the lease in about 1961 covering most all of the El Paso Ranch, several thousand acres. We drilled 7 wells including the ones referred to in your case. we paid rentals only once and allowed the lease to expire, in about 1963. All information is from memory.
4. We drilled only the one well on ~~an~~ each of the two locations referred to in your case, Nos. 11 and 27. We did drill another about half way between these two, which was plugged in accordance with the State's regulations and with their approval.
5. Your inquiry states properly the nos and descriptions. 5 $\frac{1}{2}$ " casing was set in both wells, in #11 to about 900' and tested to produce about one-half million feet of gas. It was shut in with a locked valve, and remains so. 5 $\frac{1}{2}$ " was set to about 1400' in the #27 well. This well was pumped three different times for one to two weeks. It makes about 3 to 4 bbls per day, high gravity oil with no water and sufficient gas to run the pump engine. The last time it was pumped in 1974 or 75 for 3 weeks, off and on and half filled a 50 bbl. tank truck. Before the truck was moved out and the pump equipment removed, the oil was either stolen or drained from the truck. The tubing, rods and down hole equipment remains ready to operate. To answer other numbers following; we had in the beginning, two regular 200 bbl. tanks on this location, had pumped one of them over half full, perhaps more, of oil. Shortly after we stopped pumping in about 1962 or 3 the oil and tanks were stolen, including the pumping unit and all oil pipe lines to the tanks.

#2

Mr. Lynn Teschendorf

8. I presume I have received all notices sent to Mr. Tapia but I cannot remember specifically.
10. Each year two or three times, since 1973 I have called every well plugger I can find out about to plug these wells. I have Malcom Kitchens of Farmington continuously assisting me to find a plugger as he knows them all. None have ever agreed to do it because they are too busy plugging holes near to them, for the casing in exchange.
- ~~XXXXXXXXXX~~ In 1974 or 75 I contracted with Grim drilling Co. of Belen to go in, plug this well and to move to another location nearby and drill another. We at that time obtained a new contract for lease from the land owner, Dr. Maddox. Grim never performed.
15. There is surface water near the surface in this area. We cemented surface casing to about 60', shut off the surface water and the hole drilled dry to casing point. No water has ever shown during pumping of this well. I believe all of the other numbers have been answered.

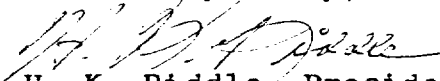
Grim Drilling Co. promises from year to year to move in and drill other wells, so I have given up on them. We now have acquired a rig, which is running in Kentucky. As soon as we complete operation there, we plan to move it back here and drill some more wells on the El Poso Ranch, near and around the #27 well.

We left the #11 as a gas well because Bob Katson of Albuquerque was building some houses near-by, and Dr. Maddox wanted the gas for his ranch houses and Katsons houses. Without Dr. Maddox approval, I would not like to plug the gas well, unless upon examination (opening the locked Valve) we find the gas we had in the beginning is not there now. We would make this examination and plug the well when we move our rig there to drill other wells.

Most of the files and logs on these operations were lost in transit when we moved our offices to Albuquerque. I have obtained some electric logs from other companies but most information is from memory. There are no formation tops of importance since Mancos shale is on the surface and all the way down to the producing zone, which is from fractures in the Mancos.

If Grim Drilling does not move in to drill for us this summer, as they again promise, we will move our rig in this summer if we finish in Kentucky, or next year.

Yours very truly,


H. K. Riddle, President

Santa Fe, New Mexico

Cert.
Ex. 1

NOTICE OF INTENTION TO DRILL

Notice must be given to the District Office of the Oil Conservation Commission and approval obtained before drilling or recompletion begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in QUINTUPLICATE. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission.

If State Land submit 6 Copies Attach Form C-128 in triplicate to First 3 copies of Form C-10

(Place)

(Date)

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Gentlemen:

You are hereby notified that it is our intention to commence the Drilling of a well to be known as

El Paso Oil Corporation

(Company or Operator)

El Paso

(Lease)

Well No. 11-11

in N (Unit)

The well is

located 660

feet from the South

line and 2000

feet from the

NESE

line of Section 11

T. 28 N.

R. 1 E.

NMPM.

(GIVE LOCATION FROM SECTION LINE)

Well 11

Pool,

Reo Arriba

County

If State Land the Oil and Gas Lease is No.

If patented land the owner is El Paso Land

Address

We propose to drill well with drilling equipment as follows: Cable tools

Western Drilling Co.

The status of plugging bond is Nation Wide

Drilling Contractor Western Drilling Co. Hobboch, Tex.

We intend to complete this well in the Morriann or ab ove

formation at an approximate depth of 2,000' feet.

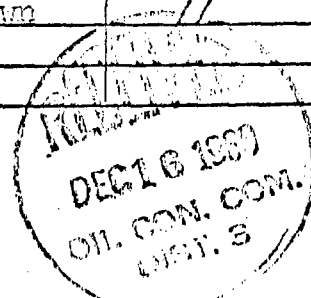
CASING PROGRAM

We propose to use the following strings of Casing and to cement them as indicated:

Size of Hole	Size of Casing	Weight per Foot	New or Second Hand	Depth	Sacks Cement
13"	10 3/4"	34.5	new	60'	40
8 5/8 casing		22.5	new	unknown	11

If changes in the above plans become advisable we will notify you immediately.

ADDITIONAL INFORMATION (If recompletion give full details of proposed plan of work.)



Approved
Except as follows:

12-16, 1960

Sincerely yours,

TANANACO OIL CORPORATION

(Company or Operator)

By A. H. [Signature] President.

Position Burr & Cooley

Send Communications regarding well to

Name

Address 1115 W. Main Street, Santa Fe, N.M.

OIL CONSERVATION COMMISSION

[Signature]

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT
 SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

Revised 2/1/60

UNIT NO.	
FILE	
UNIT	
LAND OFFICE	
THANKS BY	OIL
	GAS
PRODUCTION OFFICE	
OPERATOR	

SECTION A

Operator TAMMAGO OIL CORPORATION		Lease EL POSO RANCH		Well No. 11 - N
Unit Letter N	Section 11	Township 28 NORTH	Range 1 EAST	County RIO ARriba

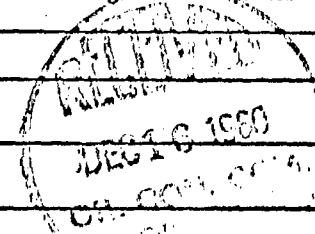
Actual Footage Location of Well: **600** feet from the **SOUTH** line and **2000** feet from the **WEST** line

Ground Level Elev. 7830.0	Producing Formation <i>unlabeled</i>	Pool <i>Willcat</i>	Dedicated Acreage: 40 Acres
-------------------------------------	---	------------------------	---------------------------------------

NOTED AND PLAT DATED 28 October 1962

1. In the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ☐ ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ☐ NO ☐ If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description



SECTION B

	11		
2080'	C-089		

CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Matthew J. Poley
Name

Position
Matthew J. Poley
Company

Date
12/14/60

I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed 11 December 1960
Registered Professional Engineer and/or Land Surveyor <i>James P. Leno</i> JAMES P. LENO
Certificate No.

CONTACTS	
FILE	
INDEX	
LAND OFFICE	
TRANSPORTER	OIL
OPERATION OFFICE	GAS
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company TAMANACO OIL CORPORATION		Address 152 Petroleum Center Building Farmington, New Mexico	
Lease E1 Poso Ranch	Well No. N-11	Unit Letter N	Section 11
		Township 28 N	Range 1 E
Date Work Performed 1-1-61 to 7-26-61	Pool Wildcat	County Rio Arriba	

THIS IS A REPORT OF: (Check appropriate block)

- ☒ Beginning Drilling Operations
 ☒ Casing Test and Cement Job
 ☒ Other (Explain): **Sand-oil frac**
- ☐ Plugging
 ☐ Remedial Work

Detailed account of work done, nature and quantity of materials used, and results obtained.

1-Well spudded and drilled to total depth of 1409 feet.

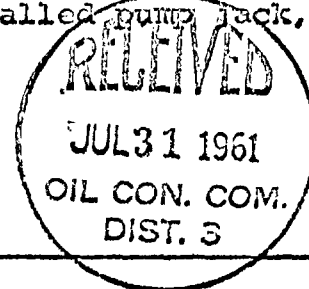
2-12" surface pipe set at 62 feet cement circulated to surface.

3-5 1/2" production string set at 1444 feet cemented with 60 sacks cement.

4-Attempted sand-oil frac, sand screened out, back filled hole 400 feet with sand, removed sand and sand pump, repeated operation with same result. Further efforts discontinued, lost 400 barrels frac oil, no recovery whatsoever.

5-Production - before setting production string well bailed 15-20 gallons of pure green oil (no water) per hour. No production since casing was set.

6-Present status - Have again cleaned out hole and installed pump jack, will attempt to pump well immediately.



Witnessed by	Position	Company
--------------	----------	---------

FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

ORIGINAL WELL DATA

D F Elev.	T D	P B T D	Producing Interval	Completion Date
Tubing Diameter	Tubing Depth	Oil String Diameter	Oil String Depth	
Perforated Interval(s)				
Open Hole Interval		Producing Formation(s)		

RESULTS OF WORKOVER

Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD
Before Workover						
After Workover						

OIL CONSERVATION COMMISSION

I hereby certify that the information given above is true and complete to the best of my knowledge.

Approved by (Original Signed Emery G. Arnold)	Name Emery G. Arnold
Title Supervisor Dist. # 3	Position Atty
Date	Company Emery G. Arnold

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company Tamanaco Oil Corporation		Address 644 E. Barcelona Rd., Santa Fe, N. M.				
Lease El Poso Ranch	Well No. 11-N	Unit Letter N	Section 11	Township 28 N.	Range 1 E.	
Date Work Performed	Pool			County Rio Arriba		

THIS IS A REPORT OF: (Check appropriate block)

- ☐ Beginning Drilling Operations ☐ Casing Test and Cement Job ☐ Other (Explain):
☐ Plugging ☒ Remedial Work

Detailed account of work done, nature and quantity of materials used, and results obtained.

On Oct. 25th, 1961, Four Corners Shooting Service with Halliburton to dump Calseal, shot this well with 52 quarts of nitro-glycerin. we cleaned the well out to bottom and bad weather set in. It has not been pump tested, and cant be until the snow melts this spring and the ground dries.



Witnessed by H. K. Riddle	Position President	Company Tamanaco Oil Corp.
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FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

ORIGINAL WELL DATA

D F Elev.	TD	PBTD	Producing Interval	Completion Date
Tubing Diameter	Tubing Depth	Oil String Diameter	Oil String Depth	
Perforated Interval(s)				
Open Hole Interval		Producing Formation(s) Gallup		

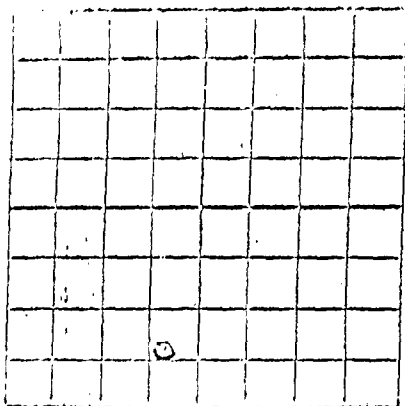
RESULTS OF WORKOVER

Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD
Before Workover						
After Workover						

OIL CONSERVATION COMMISSION

I hereby certify that the information given above is true and complete to the best of my knowledge.

Approved by Original Signed Emory C. Arnold	Name H. K. Riddle
Title Superior Dist. # 3	Position Pres.
Date MAR 14 1962	Company Tamanaco Oil Corporation



NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

WELL RECORD

Mail to District Office, Oil Conservation Commission, to which Form C-101 was sent not later than twenty days after completion of well. Follow instructions in Rules and Regulations of the Commission. Submit in QUINTUPLICATE. If State Land submit 6 Copies

A SEPT. 26, 1963

AREA 640 ACRES
LOCATE WELL CORRECTLY

TAMAMACO OIL CORPORATION

(Company or Operator)

El Paso

ROUND RANCH

(Lease)

Well No. 11-N in SE 1/4 of SW 1/4 of Sec. 11, T. 28 N., R. 1 E., NMPM.

Pool, Rio Arriba County.

Well is 600' feet from south line and 2000' feet from west line

of Section 11. If State Land the Oil and Gas Lease No. is

Drilling Commenced January 1, 1961. Drilling was Completed January 26, 1961.

Name of Drilling Contractor Western Drilling Company

Address Lubbock, Texas

Elevation above sea level at Top of Tubing Head 7230'. The information given is to be kept confidential until 19

OIL SANDS OR ZONES

No. 1, from 1430' to 2' No. 4, from to

No. 2, from to No. 5, from to

No. 3, from to No. 6, from to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from 0' to 250' feet. surface water

No. 2, from 250' to 1451' bottom hole. NONE

No. 3, from to feet.

No. 4, from to feet.

CASING RECORD

SIZE	WEIGHT PER FOOT	NEW OR USED	AMOUNT	KIND OF SHOE	CUT AND PULLED FROM	PERFORATIONS	PURPOSE
10 3/4"	40.5	New	250'	Ten. Pat.			Surface
5 1/2"	17 1/2	New	1402'	" "			oil string

MUDDING AND CEMENTING RECORD

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. BAGS OF CEMENT	METHOD USED	MUD GRAVITY	AMOUNT OF MUD USED
8"	5 1/2"	1402'	60	Halliburton		none

RECORD OF PRODUCTION AND STIMULATION

(Record the Process used, No. of Qts. or Gals. used, interval treated or shot.)

With 20,000' sand and 600 bbls of oil on location, Dowell made two attempts to frac but in both cases it sand up. No frac taken.

Shot with 52 quarts from 1416 to 1442'.

Result of Production Stimulation none

Depth Cleaned Out 1 + 5'

RECORD OF DRILL-STEM AND SPECIAL TESTS

If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto

TOOLS USED

Rotary tools were used from.....feet to.....feet, and from.....feet to.....feet.
Cable tools were used from.....ZERO.....feet to.....1451.....feet, and from.....feet to.....feet.

PRODUCTION

Put to Producing.....February 10.....1961.....

OIL WELL: The production during the first 24 hours was.....11.....barrels of liquid of which.....90.....% was
was oil;10.....% was emulsion;% water; and.....% was sediment. A.P.I.
Gravity.....32.....

GAS WELL: The production during the first 24 hours was.....M.C.F. plus.....barrels of liquid Hydrocarbon. Shut in Pressure.....lbs.

Length of Time Shut in.....

PLEASE INDICATE BELOW FORMATION TOPS (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE):

Southeastern New Mexico

Northwestern New Mexico

T. Anhy.....	T. Devonian.....	T. Ojo Alamo.....
T. Salt.....	T. Silurian.....	T. Kirtland-Fruitland.....
B. Salt.....	T. Montoya.....	T. Farmington.....
T. Yates.....	T. Simpson.....	T. Pictured Cliff.....
T. 7 Rivers.....	T. McKee.....	T. Menefee.....
T. Queen.....	T. Ellenburger.....	T. Point Lookout.....
T. Grayburg.....	T. Gr. Wash.....	T. Mancos.....
T. San Andres.....	T. Granite.....	T. Dakota.....
T. Glorieta.....	T.	T. Morrison.....
T. Drinkard.....	T.	T. Penn.....
T. Tubbs.....	T.	T.
T. Abo.....	T.	T.
T. Penn.....	T.	T.
T. Miss.....	T.	T.

FORMATION RECORD

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
			Mancos all the way.				

ATTACH SEPARATE SHEET IF ADDITIONAL SPACE IS NEEDED.

I hereby swear or affirm that the information given herewith is a complete and correct record of the well and all work done on it so far as can be determined from available records.

Company or Operator Tamandaco Oil Corporation

Address.....1409 Mesilla, N. E., Albuquerque, N. M.

Name H. K. Riddle

President

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION COMMISSION ON ITS OWN
MOTION TO PERMIT TAMANACO OIL CORPORATION
AND CONTINENTAL CASUALTY COMPANY AND ALL
OTHER INTERESTED PARTIES TO APPEAR AND SHOW
CAUSE WHY THE EL POSO RANCH "N" WELL NO. 11,
LOCATED IN UNIT N OF SECTION 11, TOWNSHIP
28 NORTH, RANGE 1 EAST, RIO ARriba COUNTY,
NEW MEXICO, SHOULD NOT BE PLUGGED AND
ABANDONED IN ACCORDANCE WITH A COMMISSION-
APPROVED PLUGGING PROGRAM.

CASE NO. 5001
Order No. R-4575

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 20, 1973, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of June, 1973, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

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

(2) That Tamanaco Oil Corporation is the owner and operator of the El Poso Ranch "N" Well No. 11, located in Unit N of Section 11, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.

(3) That in order to prevent waste and protect correlative rights said El Poso Ranch "N" Well No. 11 should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Commission on or before August 1, 1973.

IT IS THEREFORE ORDERED:

(1) That Tamanaco Oil Corporation and Continental Casualty Company are hereby ordered to plug and abandon the El Poso Ranch

-2-

Case No. 5001

Order No. R-4575

"N" Well No. 11, located in Unit N of Section 11, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico, on or before August 1, 1973.

(2) That Tamanaco Oil Corporation and Continental Casualty Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Aztec Office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

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SANTA FE	1
FILE	1
U.S.G.S.	
LAND OFFICE	
OPERATOR	1

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease
State ☐ Fee ☐

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Bedford, Inc. for Tamanaco Oil Corp. & State of New Mexico	8. Farm or Lease Name El Paso Ranch
3. Address of Operator P. O. Box E, Farmington, New Mexico 87401	9. Well No. 11
4. Location of Well UNIT LETTER K 680 FEET FROM THE S LINE AND 2080 FEET FROM THE W LINE, SECTION 11 TOWNSHIP 28N RANGE 1E NMPM.	10. Field and Pool, or Wildcat
15. Elevation (Show whether DF, RT, GR, etc.)	12. County Rio Arriba

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

This well has been plugged & abandoned as follows:

10-12-78 Move in, rig up, pulled rods
10-13-78 Circulate hole - spot 30 sx plug @ 1469' pulled tbg.
10-14-78 Shot 5½" casing off @ 915', pulled 415' casing. Spot 26 sx plug 500' to 400' pull casing
10-16-78 Set P & A marker & clean location



18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED [Signature] TITLE Agent for State DATE 10-26-78
APPROVED BY [Signature] TITLE SUPERVISOR DIST. #3 DATE OCT 26 1978

NO. OF COPIES RECEIVED	3
DISTRIBUTION	
SANTA FE	1
FILE	1
U.S.G.S.	
LAND OFFICE	
OPERATOR	1

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Supersedes Old
C-102 and C-103
Effective 1-1-65

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	5a. Indicate Type of Lease State <input type="checkbox"/> Fee <input type="checkbox"/>
2. Name of Operator Bedford, Inc. for Tamanaco Oil Corp. & State of New Mexico	5. State Oil & Gas Lease No.
3. Address of Operator P. O. Box E, Farmington, New Mexico 87401	7. Unit Agreement Name
4. Location of Well UNIT LETTER K, 680 FEET FROM THE S LINE AND 2080' FEET FROM THE W LINE, SECTION 11 TOWNSHIP 28N RANGE 1 E NMPM.	8. Farm or Lease Name El Paso Ranch
	9. Well No. 11
	10. Field and Pool, or Wildcat
15. Elevation (Show whether DF, RT, GR, etc.)	12. County Rio Arriba

16.

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐
TEMPORARILY ABANDON ☐
PULL OR ALTER CASING ☐
OTHER ☐

PLUG AND ABANDON ☒
CHANGE PLANS ☐
OTHER ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐
COMMENCE DRILLING OPNS. ☐
CASING TEST AND CEMENT JOB ☐
OTHER ☐

ALTERING CASING ☐
PLUG AND ABANDONMENT ☐
OTHER ☐

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

The Oil Conservation Division has employed Bedford, Inc. to plug & abandon this well as follows:

1. Set plug from 1469' to 1300'
2. Cut & pull casing from below 500'
3. Set plug from 500' to 400'
4. Set P & A marker & clean location



18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Larry A. Bedford TITLE Agent DATE 10-11-78
APPROVED BY AK Kendrick TITLE SUPERVISOR DIST. #3 DATE OCT 26 1978
CONDITIONS OF APPROVAL, IF ANY:

FILE NO.	
LAND OFFICE	
TRANSPORTER	OIL GAS
PRODUCTION OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Form O-101
Revised (12/1/55)
Cvt.
EX 2

NOTICE OF INTENTION TO DRILL

Notice must be given to the District Office of the Oil Conservation Commission and approval obtained before drilling or recompletion begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in QUINTUPLICATE. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission.

If State Land submit 6 Copies Attach Form C-128 in triplicate to first 3 copies of form C-101

Park View, New Mexico

(Place)

JUNE 19, 1961

(Date)

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Gentlemen:

You are hereby notified that it is our intention to commence the Drilling of a well to be known as

Tamanaco Oil Corporation

(Company, or Operator)

Ground Search

(Lease)

Well No. 27-2

(Unit)

The well is located 1200 feet from the North line and 1500 feet from the East line of Section 27, T23N, R. 1E, NMPM.

(GIVE LOCATION FROM SECTION LINE)

Pool, Rio Arriba

County

If State Land the Oil and Gas Lease is No.

If patented land the owner is Mr. A. Haddox

Address Box 1654, Amarillo, Texas

We propose to drill well with drilling equipment as follows:

Drilling 1500 portable rotary using 950 C.F.N. air compressor

The status of plugging bond is Nation Held

Drilling Contractor Jewel Adkinson, 201 Wyoming S.E., Albuquerque, N.M.

We intend to complete this well in the Gypsum or Dakota

formation at an approximate depth of 1450 to 1900 feet.

CASING PROGRAM

We propose to use the following strings of Casing and to cement them as indicated:

Size of Hole	Size of Casing	Weight per Foot	New or Second Hand	Depth	Sacks Cement
3 1/2"	7"	22#	New	250'	circulated
5"	4 1/2"	9 1/2#	New	to production	50 sacks

If changes in the above plans become advisable we will notify you immediately.

ADDITIONAL INFORMATION (If recompletion give full details of proposed plan of work.)

Approved
Except as follows:

Subject to approval of
NDD standard unit

OIL CONSERVATION COMMISSION

Sincerely yours,

Tamanaco Oil Corporation

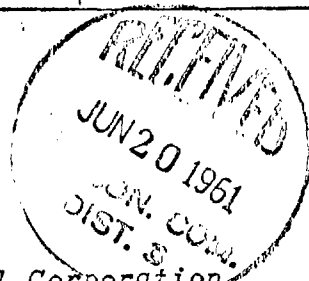
(Company or Operator)

By

Position President

Send Communications regarding well to

" " Biddle



UNIT LETTER	FILE
LAND OFFICE	
TRANSPORTER	OIL GAS
REGISTRATION OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT
 SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

Revised 5/1/57

SECTION A

Operator TAMANACO OIL CORPORATION		Lease POUND RANCH		Well No. 27-B
Unit Letter B	Section 27	Township 28 NORTH	Range 1 EAST	County RIO ARriba

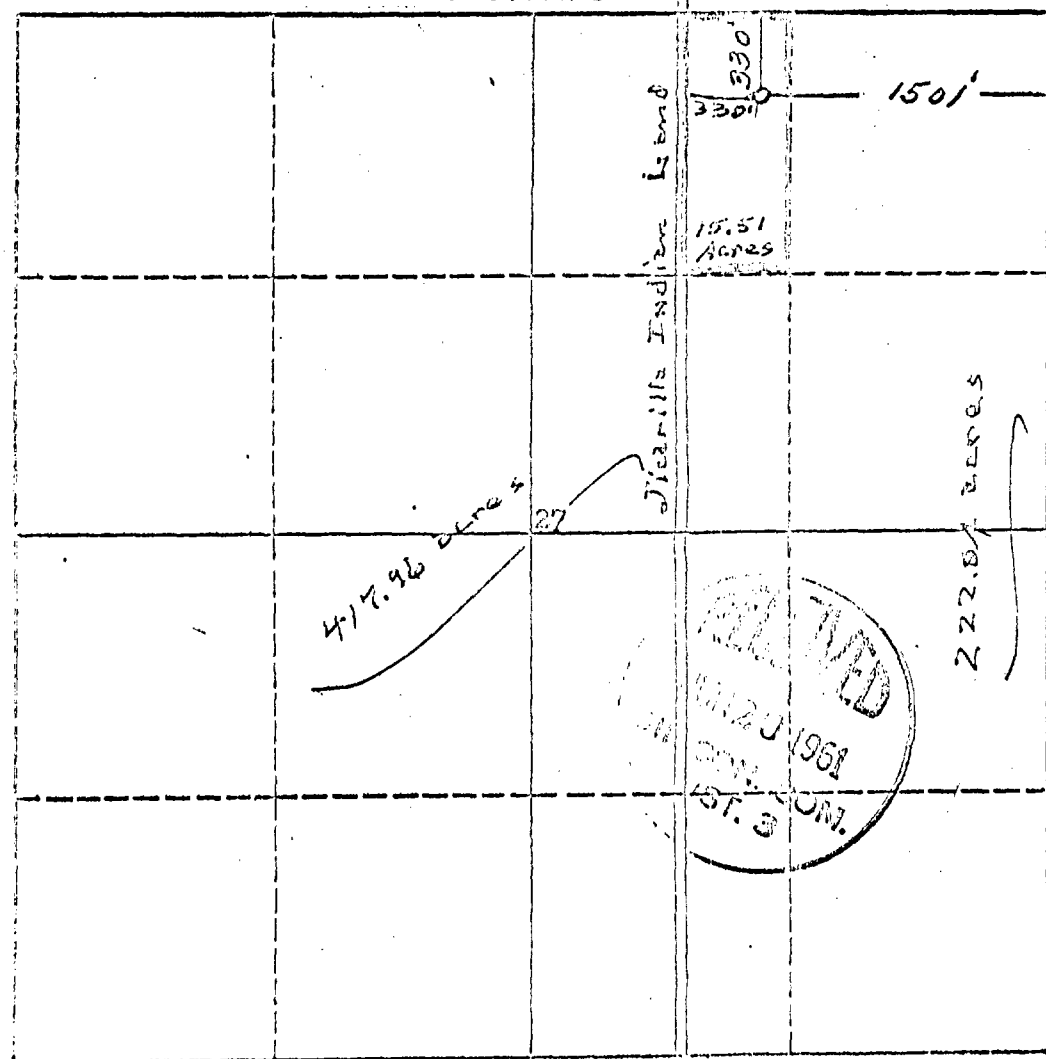
Actual Footage Location of Well: **330** feet from the **NORTH** line and **1501** feet from the **EAST** line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage: Acres
Location based on extension of U.S. Public survey lines North and East from Jicarilla Indian Reservation.			

- Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ☐ ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
- If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ☐ NO ☐ . If answer is "yes," Type of Consolidation _____
- If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B



CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name	<i>W. H. Fisher</i>
Position	<i>Pres.</i>
Company	<i>Tamanaco Oil Corp.</i>
Date	<i>5-12-61</i>

I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed	<i>6-1-61</i>
Registered Professional Engineer and/or Land Surveyor	<i>G. H. Fenton</i>
Certificate No.	

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

MISCELLANEOUS NOTICES

Submit this notice in TRIPPLICATE to the District Office, Oil Conservation Commission, 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 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.

Indicate Nature of Notice by Checking Below

NOTICE OF INTENTION TO CHANGE PLANS	X	NOTICE OF INTENTION TO TEMPORARILY ABANDON WELL		NOTICE OF INTENTION TO DRILL DEEPER	
NOTICE OF INTENTION TO PLUG WELL		NOTICE OF INTENTION TO PLUG BACK	X	NOTICE OF INTENTION TO SET LINER	
NOTICE OF INTENTION TO SQUEEZE		NOTICE OF INTENTION TO ACIDIZE		NOTICE OF INTENTION TO SHOOT (Nitro)	
NOTICE OF INTENTION TO GUN PERFORATE		NOTICE OF INTENTION (OTHER) Acidize	X	NOTICE OF INTENTION (OTHER)	

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Park View, New Mexico

Sept. 16, 1961

(Place)

(Date)

Gentlemen:

Following is a Notice of Intention to do certain work as described below at the.....

Tennaco Oil Corporation

Round Ranch

Well No. 27-B

in..... (Unit)

(Company or Operator)

NW 1/4 NE 1/4
(40-acre Subdivision)

1/4 of Sec. 27

T. 28 N., R. 1 E.

T. 28 N., R. 1 E.

NMPM,

Pool

Rio Arriba

County.

FULL DETAILS OF PROPOSED PLAN OF WORK

(FOLLOW INSTRUCTIONS IN THE RULES AND REGULATIONS)

Water was encountered below 250' of cemented 7" surface pipe and location was moved 100' south from original location.

Was drilled 1928' and plugged back with heavy mud to 977'. A cement plug was spotted from 977' to 877'. 4 1/2" casing (9 3/8") was cemented with 30 sacks in a 6 1/2" hole at 831'. Awaiting cable tools to swab and clean up after spotting 2 bbls of acid, M.C.A. 15% after blowing dry with compressor.

On August 27, '61 Schlumberger ran Gamma-Ray to total depth of 1928'.

Approved..... SEP 20 1961
Except as follows:

Approved
OIL CONSERVATION COMMISSION

By..... Original Signed Emery C. Arnold

Tennaco Oil Corporation

Company or Operator

By..... H. K. Riddle

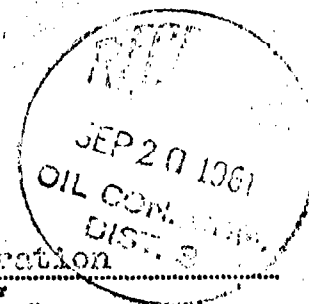
Position..... President

Send Communications regarding well to:

Name..... H. K. Riddle

Park View, N. M.

Address.....



NUMBER OF COPIES RECEIVED	
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SALES	
FILE	
U.S.G.	
LAND OFFICE	
TRANSPORTED	OIL
	GAS
PRODUCTION OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company Tomanaco Oil Corporation				Address Park View, New Mexico			
Lease Round Ranch		Well No. 27-B	Unit Letter	Section 27	Township 28 N.,	Range 1 E.	
Date Work Performed During August, '61		Pool			County Rio Arriba		

THIS IS A REPORT OF: (Check appropriate block)

- ☐ Beginning Drilling Operations
 ☒ Casing Test and Cement Job
 ☒ Other (Explain):
- ☒ Plugging back
 ☐ Remedial Work

Detailed account of work done, nature and quantity of materials used, and results obtained.

During July '61 well was commenced, 250' of 7" casing cemented and water encountered at 300' making air drilling impossible. Moved location 100' south and set 389.64' of 7" casing. Second hole commenced Aug. 8th., 1961. Drilled with air (Star Drilling Company) to 711', encountered water and converted to mud drilling. Drilled to 1213' and set 4 1/2" casing. Drilled with air to 1928'. Filled hole with heavy mud and spotted 100' cement plug from 877' to 977'. Set and cemented with 30 sacks, 4 1/2" casing at 831'. Spotted two bbls of M.C.A. 15% acid over open hole. Could not blow out with tubing set near bottom and with 100# air compressor. Awaiting cable tools to swab and clean. Pulled 30,000# on 7" but could not move. Plan to jack loose and pull, then cement 60' of casing, 7" with cement circulated to top.

Witnessed by Howard Lynn	Position Pres.	Company Star Drilling Company
------------------------------------	--------------------------	---

FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

ORIGINAL WELL DATA

D F Elev. 7109'	TD 1928	PBTD 877'	Producing Interval	Completion Date
Tubing Diameter 2 3/8"	Tubing Depth 877'	Oil String Diameter 4 1/2"	Oil String Depth 831'	
Perforated Interval(s)				

Open Hole Interval 831' - 877'	Producing Formation(s) Maybe Tocito
--	---

RESULTS OF WORKOVER

Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl D.	Gas Well Potential MCFPD
Before Workover						
After Workover						

OIL CONSERVATION COMMISSION

I hereby certify that the information given above is true and complete to the best of my knowledge.

Approved by
Original Signed Emery C. Arnold

Name
H. M. Arnold

Title
President

Position
Pres.

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company Tamanaco Oil Corporation		Address 644 East Barcelona Rd., Santa Fe, N. M.			
Lease Pound Ranch	Well No. 27-B	Unit Letter	Section B-27	Township 28 N.	Range 1 E.
Date Work Performed	Pool	County Rio Arriba			

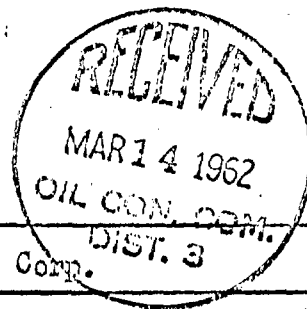
THIS IS A REPORT OF: (Check appropriate block)

- ☐ Beginning Drilling Operations
 ☐ Casing Test and Cement Job
 ☒ Other (Explain):
 Operations suspended.
- ☐ Plugging
 ☐ Remedial Work

Detailed account of work done, nature and quantity of materials used, and results obtained.

250' of 7" casing was set for surface pipe, cement circulated to surface. Water was encountered at 300' to make air drilling impractical and hole was abandoned. Water stands almost to the surface. The landowner, or this Company, may want to pump and use water from this well this summer. If and when we do we will file proper affidavit of conversion to water well. Until this is decided, we would like to leave the well in suspension.

A four foot nipple is screwed into the casing, making it 4' above the ground, and a plate welded over it - completely shutting the well in.



Witnessed by H. K. Middle	Position President	Company Tamanaco Oil Corp.
------------------------------	-----------------------	-------------------------------

FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

ORIGINAL WELL DATA

DF Elev.	TD	PBTD	Producing Interval	Completion Date
Tubing Diameter	Tubing Depth	Oil String Diameter	Oil String Depth	
Perforated Interval(s)				
Open Hole Interval			Producing Formation(s)	

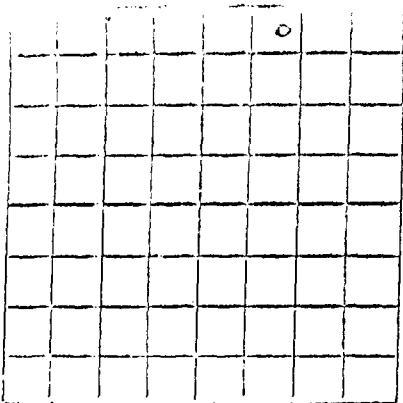
RESULTS OF WORKOVER

Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD
Before Workover						
After Workover						

OIL CONSERVATION COMMISSION

I hereby certify that the information given above is true and complete to the best of my knowledge.

Approved by Original Signed Emery C. Arnold	Name <i>Emery C. Arnold</i>
Title Supervisor Dist. # 3	Position President
Date MAR 14 1962	Company Tamanaco Oil Corporation



NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

WELL RECORD

Mail to District Office, Oil Conservation Commission, to which Form C-101 was sent not later than twenty days after completion of well. Follow instructions in Rules and Regulations of the Commission. Submit in QUINTUPLICATE. If State Land submit 6 Copies

AREA 640 ACRES
LOCATE WELL CORRECTLY

.....
(Company or Operator) (Lease)
Well No. 27-2, in NW 1/4 of NE 1/4, of Sec. 27, T. 28 N., R. 1 E., NMPM.
..... Pool, Rio Arriba County.
Well is 330' feet from North line and 1501' feet from East line
of Section 27. If State Land the Oil and Gas Lease No. is
Drilling Commenced July, 1961. Drilling was Completed August 27, 1961
Name of Drilling Contractor Star Drilling Company, Howard Lynn
Address Farmington, New Mexico
Elevation above sea level at Top of Tubing Head 7102' The information given is to be kept confidential until
....., 19.....

OIL SANDS OR ZONES

No. 1, from to No. 4, from to
No. 2, from to No. 5, from to
No. 3, from to No. 6, from to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from 300' to less than 320' feet.
No. 2, from 711' to 720' feet.
No. 3, from to feet.
No. 4, from to feet.

CASING RECORD

SIZE	WEIGHT PER FOOT	NEW OR USED	AMOUNT	KIND OF SOLE	CUT AND PULLED FROM	PERFORATIONS	PURPOSE
7"	2.1	New	339.64'	Tex. Pat.			surface
4 1/2"	9.2	New	831'	Tex. Pat.			Gas string.

MUDDING AND CEMENTING RECORD

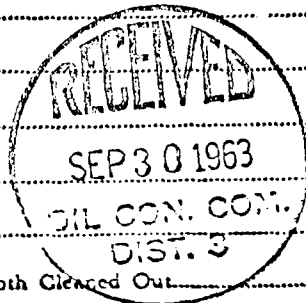
SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. BAGS OF CEMENT	METHOD USED	MUD GRAVITY	AMOUNT OF MUD USED
7-7/8"	7"	339.64'	none			
4-1/2"	4 1/2"	1213'	none			
3-3/4"	none	drilled to 1943'. Filled hole with heavy mud, then pumped 20 sks cement at 977'				
4 1/2"	4 1/2"	831'	20 sks	Flowall	very heavy	gas string.
		and again 831'	40 sks	"		

RECORD OF PRODUCTION AND STIMULATION

(Record the Process used, No. of Qts. or Gals. used, interval treated or shot.)

..... After drilling out plug at 831' spotted two bbls of M.C.A. 15% acid. Then swabbed out, no shows.

Result of Production Stimulation none



Depth Cased Out

RECORD ON DENTAL CARE AND SPECIAL TREATS

If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto

TOOLS USED

Rotary tools were used from.....0.....feet to.....12.25'.....feet, and from.....feet to.....feet.
Cable tools were used from.....feet to.....feet, and from.....feet to.....feet.

PRODUCTION

Put to Producing....., 19.....

OIL WELL: The production during the first 24 hours was.....barrels of liquid of which.....% was
was oil;% was emulsion;% water; and.....% was sediment. A.P.I.
Gravity.....

GAS WELL: The production during the first 24 hours was.....M.C.F. plus.....barrels of liquid Hydrocarbon. Shut in Pressure.....lbs.

Length of Time Shut in.....

PLEASE INDICATE BELOW FORMATION TOPS (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE):

Southeastern New Mexico

Northwestern New Mexico

T. Anhy.....	T. Devonian.....	T. Ojo Alamo.....
T. Salt.....	T. Silurian.....	T. Kirtland-Fruitland.....
B. Salt.....	T. Montoya.....	T. Farmington.....
T. Yates.....	T. Simpson.....	T. Pictured Cliffs.....
T. 7 Rivers.....	T. McKee.....	T. Menefee.....
T. Queen.....	T. Ellenburger.....	T. Point Lookout.....
T. Grayburg.....	T. Gr. Wash.....	T. Mancos.....
T. San Andres.....	T. Granite.....	T. Dakota.....
T. Glorieta.....	T.	T. Morrison.....
T. Drinkard.....	T.	T. Penn.....
T. Tubbs.....	T.	T.
T. Abo.....	T.	T.
T. Penn.....	T.	T.
T. Miss.....	T.	T.

FORMATION RECORD

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
192			Gallup				
134			San Juan				
174			Dakota				

ATTACH SEPARATE SHEET IF ADDITIONAL SPACE IS NEEDED

I hereby swear or affirm that the information given herewith is a complete and correct record of the well and all work done on it so far as can be determined from available records.

..... Jan. 6, 1963
(Date)

Company or Operator.....

Address 3427 Alameda N.E., Albuquerque, N.M.
President

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE NO. 5002

Order No. R-4576

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION COMMISSION ON ITS
OWN MOTION TO PERMIT TAMANACO OIL CORP-
ORATION AND CONTINENTAL CASUALTY COMPANY
AND ALL OTHER INTERESTED PARTIES TO
APPEAR AND SHOW CAUSE WHY THE POUND RANCH
"B" WELL NO. 27 LOCATED IN UNIT B OF
SECTION 27, TOWNSHIP 28 NORTH, RANGE 1
EAST, RIO ARriba COUNTY, NEW MEXICO, SHOULD
NOT BE PLUGGED AND ABANDONED IN ACCORDANCE
WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 20, 1973,
at Santa Fe, New Mexico, before the Oil Conservation Commission
of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of June, 1973, the Commission, a
quorum being present, having considered the testimony presented
and the exhibits received at said hearing, and being fully advised
in the premises,

FINDS:

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

(2) That Tamanaco Oil Corporation is the owner and oper-
ator of the Pound Ranch "B" Well No. 27, located in Unit B of
Section 27, Township 28 North, Range 1 East, NMPM, Rio Arriba
County, New Mexico.

(3) That in order to prevent waste and protect correl-
ative rights said Pound Ranch "B" Well No. 27 should be plugged
and abandoned in accordance with a program approved by the Aztec
District Office of the New Mexico Oil Conservation Commission on
or before August 1, 1973.

IT IS THEREFORE ORDERED:

(1) That Tamanaco Oil Corporation and Continental Casualty Company are hereby ordered to plug and abandon the Pound Ranch "B" Well No. 27, located in Unit B of Section 27, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico, on or before August 1, 1973.

(2) That Tamanaco Oil Corporation and Continental Casualty Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Aztec Office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

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

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

NO. OF COPIES RECEIVED	2
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-102
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	
State <input type="checkbox"/>	Fee <input checked="" type="checkbox"/>

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		7. Unit Agreement Name
2. Name of Operator Bedford, Inc. for Tamanaco Oil Corp. & State of New Mexico		8. Farm or Lease Name Pound Ranch
3. Address of Operator P. O. Box E, Farmington, New Mexico 87401		9. Well No. 27
4. Location of Well UNIT LETTER B 330 FEET FROM THE N LINE AND 1501 FEET FROM THE E LINE, SECTION 27 TOWNSHIP 28N RANGE 1 E NMPM.		10. Field and Pool, or Wildcat
15. Elevation (Show whether DF, RT, GR, etc.)		12. County Rio Arriba

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐
TEMPORARILY ABANDON ☐
PULL OR ALTER CASING ☐
OTHER ☐

PLUG AND ABANDON ☒
CHANGE PLANS ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐
COMMENCE DRILLING OPNS. ☐
CASING TEST AND CEMENT JOBS ☐
OTHER ☐

ALTERING CASING ☐
PLUG AND ABANDONMENT ☐

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

The Oil Conservation Division has employed Bedford, Inc. to plug & abandon this well as follows:

1. Tag plug back @ 877'
2. Set plug from 877' to 730'
3. Perf. @ 400' & plug from 400' to 300' inside and outside of casing
4. Set P & A marker & clean location



18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Larry A. Bedford TITLE Agent for State DATE 10-15-78
APPROVED BY AR Resendiz TITLE SUPERVISOR DIST. 3 DATE OCT 26 1978

NO. OF COPIES RECEIVED	2
DISTRIBUTION	
SANTA FE	/
FILE	/
U.S.G.S.	
LAND OFFICE	
OPERATOR	/

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease
State ☐ Fee ☒
5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL ☒ GAS WELL ☐ OTHER ☐
2. Name of Operator
Bedford, Inc. for Tamanaco Oil Corp. & State of New Mexico
3. Address of Operator
P. O. Box E, Farmington, New Mexico 87401
4. Location of Well
UNIT LETTER B 330 FEET FROM THE N LINE AND 1501 FEET FROM
THE E LINE, SECTION 27 TOWNSHIP 28N RANGE 1 E NMPM.

7. Unit Agreement Name
8. Farm or Lease Name
Pound Ranch
9. Well No.
27
10. Field and Pool, or Wildcat

15. Elevation (Show whether DF, RT, GR, etc.)
12. County
Rio Arriba

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ OTHER ☐

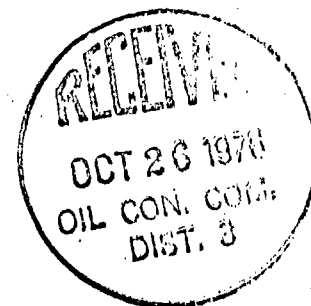
SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☒
CASING TEST AND CEMENT JOBS ☐
OTHER ☐

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

This well has been plugged & abandoned as follows:

10-16-78 Move in & Rig up
10-17-78 Ran tbg. in hole, tag plug @ 854' Spot 11 sx plug on bottom
10-18-78 Perf 4 holes @ 410' - Attempt to circulate. Perf. 4 holes @ 395' to 300'. Set P & A marker & clean location



18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Langford TITLE Agent for State DATE 10-26-78
APPROVED BY Al Kendrick TITLE SUPERVISOR DIST. 3 DATE OCT 26 1978

OIL CONSERVATION COMMISSION
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

Att. 3
Cert.

5002
Case 4502

Well file

November 16, 1961

Tamamaco Oil Company
c/o Jack Cooley, Agent
Farmington, New Mexico

Dear Jack:

Our well file on Tamamaco's El Foso Ranch "B" #11 well in unit N, Section 11-28N-1E shows that the well was spudded 1/1/61 and a C-103 was filed indicating production casing was set and cemented. No subsequent reports have been filed showing whether production was obtained or whether the well was a dry hole.

Will you please submit miscellaneous reports on this well in order that we may issue plugging instructions if necessary. Form C-105 Well Record Form should also be filed.

Yours very truly,

Emery C. Arnold
Supervisor, District #3

ECA:ks

cc: Oil Conservation Commission
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

5002
Case 4502

May 10, 1963

Tamamaco Oil Company
c/o Varity, Burr & Cooley
152 Petroleum Center Building
Farmington, New Mexico

Re: #11 El Poso Ranch "N"
N-11-28N-1E, Rio Arriba County

Gentlemen:

Notice of Intention to Drill was filed on the above well on December 16, 1960. Subsequent notices were received indicating that the well was spudded January 1, 1961 and that 5½" casing was cemented at 1550' with 60 sacks.

The well has evidently been in a temporarily abandoned status since that date. We presume that no further attempt will be made by the operator to complete the well as a producing well and therefore are directing that it be plugged in accordance with New Mexico Oil Conservation Commission rules and regulations. Form C-102 should be filed showing the plugging program along with Form C-105, Well Record Form, indicating formations penetrated. In the event some action is not taken within the next 30 days it is our intention to set the matter for hearing in order that the operator and the bonding company may show cause why the well should not be plugged and abandoned.

Yours very truly

ECA:ks

Emery C. Arnold
Supervisor, District #3

cc: Continental Casualty Company,
2975 Wilshire Boulevard
Los Angeles 5, California

Oil Conservation Commission
Box 871
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

May 10, 1963

Tamano Oil Company
c/o Verity, Burr & Cooley
152 Petroleum Center Building
Farmington, New Mexico

Re: #27 Pound Ranch "B"
E-27-28N-1E, Rio Arriba County

Gentlemen:

Notice of Intention to Drill was filed on the above well on June 20, 1961. Subsequent reports were filed indicating that it was drilled to the Dakota Formation and that 4 $\frac{1}{2}$ " casing was cemented at 231'.

The well has evidently been in a temporarily abandoned status since that date. We presume that no further attempt will be made by the operator to complete the well as a producing well and therefore are directing that it be plugged in accordance with New Mexico Oil Conservation Commission rules and regulations. Form C-102 should be filed showing the plugging program, along with Form C-105, Well Record Form, indicating formations penetrated. In the event some action is not taken within the next 30 days it is our intention to set the matter for hearing in order that the operator and the bonding company may show cause why the well should not be plugged and abandoned.

Yours very truly

Emery C. Arnold
Supervisor, District #3

ECA:ks

cc: Continental Casualty Company
2975 Wilshire Boulevard
Los Angeles 5, California

Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Ex 4

H. H. Riddle

OIL AND GAS PRODUCER

~~1400 MESILLA, N.E.~~

1400 MESILLA, N.E.
ALBUQUERQUE, NEW MEXICO

September 26 1968



New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico

Gentlemen:

Enclosed is Form C-105 in quintuplicate, WELL RECORD on Tamanaco Oil Corp.
27- B Pound Ranch well.

We reported to you on Form C-103 on March 14, 1962 that 250' of 7" casing was cemented to surface. Air drilling encountered water at 300' and rig was moved 100' south and redrilled. A 4" nipple is screwed into this 7" surface pipe from the ground up, and a plate welded over the top. This water well is left insuspension, pending use required by the landowner as a water well.

Reported to you on Form C-103 On Sept. 20, 1961 was the following;

In the second hole, high gas pressures required very heavy mud to prevent blow-out while drilling from about 790' until we set 4½" at 1213'. Then we airdrilled on to 1928', pumped our heaviest mud from the pit to fill hole, lifted ^{casing} ~~and pipe~~ up to 977', spotted cement back to 877'. Then we cemented 4½" at 831' with 30 sacks. After 36 hours pump pressure circulated so Dowell came again, cemented with another 60 sacks. The gas pressure kept working and bubbling around the casing during the setting period, so the first cement job did not hold, the second did. We estimate that cement is all the way back up to and around the 389.64' of 7" since we pulled 80,000 # on the 7" and could not pull it.

The gas is probably at around 790' and by perforating, we think this well could be made commercial. There is no pipeline within miles, however, the new dam to be built above El Vado Lake may create a market for this gas for their shops and buildings. A bullplug is screwed into the 4½" and bumped tight. This well with casing cemented all the way up within the surface pipe, will be left in suspension until such time as gas may be needed or marketed from this area.

Yours very truly,

TAMANACO OIL CORPORATION

BY:

H. H. Riddle
H. K. Riddle, President

Enclosure, Schlumberger, Gamma-Ray on this hole.

No. 635938

SENT TO Tamanaco Oil Corporation		POSTMARK OR DATE
STREET AND NO. Suite 1805 Nat. Building 505 Marquette, N.W.		
CITY, STATE, AND ZIP CODE Albuquerque, N.M. 87101		
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered		If you want delivery only to addressee, check here <input type="checkbox"/> 50¢ fee
FEES ADDITIONAL TO 20¢ FEE		
POD Form 3800 July 1963 NO INSURANCE COVERAGE PROVIDED— (See other side) NOT FOR INTERNATIONAL MAIL		

Case 5002

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S). REQUIRED FEE(S) PAID.	
<input type="checkbox"/> Show to whom, date and address where delivered	<input type="checkbox"/> Deliver ONLY to addressee

RECEIPT

Received the numbered article described below.

REGISTERED NO.	1 2 3	SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in) <i>James E. Japir</i>
CERTIFIED NO. 635938		SIGNATURE OF ADDRESSEE'S AGENT, IF ANY <i>Oris C. Japir</i>
INSURED NO.		
DATE DELIVERED 6-8-73		SHOW WHERE DELIVERED (only if requested)

c55-16-71548-11 347-108 GPO

RECEIPT FOR CERTIFIED MAIL—20¢

No. 635921

SENT TO Tamanaco Oil Corp.		POSTMARK OR DATE
STREET AND NO. Suite 1805 Nat. Bldg. 505 Marquette, N.W.		
CITY, STATE, AND ZIP CODE Albuquerque, N.M. 87101		
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered		If you want delivery only to addressee, check here <input type="checkbox"/> 50¢ fee
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POD Form 3800 July 1963 NO INSURANCE COVERAGE PROVIDED— (See other side) NOT FOR INTERNATIONAL MAIL		

Case 5001

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S). REQUIRED FEE(S) PAID.	
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RECEIPT

Received the numbered article described below.

REGISTERED NO.	1 2 3	SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in) <i>James E. Japir</i>
CERTIFIED NO. 635921		SIGNATURE OF ADDRESSEE'S AGENT, IF ANY <i>Oris C. Japir</i>
INSURED NO.		
DATE DELIVERED 6-8-73		SHOW WHERE DELIVERED (only if requested)

c55-16-71548-11 347-108 GPO

No. 635925

SENT TO Mr. H. K. Riddle		POSTMARK OR DATE
STREET AND NO. 1400 Mesilla, N. E.		
CITY, STATE, AND ZIP CODE Albuquerque, N. M. 87110		
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered If you want delivery only to addressee, check here <input type="checkbox"/> 50¢ fee		
FEEs ADDITIONAL TO 20¢ FEE		
POD Form 3800 July 1963 NO INSURANCE COVERAGE PROVIDED— NOT FOR INTERNATIONAL MAIL (See other side)		

SENDER: Be sure to follow instructions on other side

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S) (Additional charges required for these services)	
<input type="checkbox"/> Show address where delivered	<input type="checkbox"/> Deliver ONLY to addressee

RECEIPT

Received the numbered article described below

REGISTERED NO.	1 2 3	SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in) <i>Donna Riddle</i>
CERTIFIED NO. <i>635925</i>		SIGNATURE OF ADDRESSEE'S AGENT, IF ANY
INSURED NO.		
DATE DELIVERED <i>6/19/73</i>		SHOW WHERE DELIVERED (Only if requested, and include ZIP Code)

RECEIPT FOR CERTIFIED MAIL—20¢

No. 635920

SENT TO Mr. H.K. Riddle		POSTMARK OR DATE
STREET AND NO. 1400 Mesilla, N.E.		
CITY, STATE, AND ZIP CODE Albuquerque, N.M. 87110		
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered If you want delivery only to addressee, check here <input type="checkbox"/> 50¢ fee		
FEEs ADDITIONAL TO 20¢ FEE		
POD Form 3800 July 1963 NO INSURANCE COVERAGE PROVIDED— NOT FOR INTERNATIONAL MAIL (See other side)		

SENDER: Be sure to follow instructions on other side

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S) (Additional charges required for these services)	
<input type="checkbox"/> Show address where delivered	<input type="checkbox"/> Deliver ONLY to addressee

RECEIPT

Received the numbered article described below

REGISTERED NO.	1 2 3	SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in) <i>Donna Riddle</i>
CERTIFIED NO. <i>635920</i>		SIGNATURE OF ADDRESSEE'S AGENT, IF ANY
INSURED NO.		
DATE DELIVERED <i>6/19/73</i>		SHOW WHERE DELIVERED (Only if requested, and include ZIP Code)

RECEIPT FOR CERTIFIED MAIL—20¢

No. 635918

SENT TO TAMANACO OIL CORP.		POSTMARK OR DATE
STREET AND NO. 152 Petroleum Center Bldg.		
CITY, STATE, AND ZIP CODE Farmington, N. M. 87401		
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered If you want delivery only to addressee, check here <input type="checkbox"/> 50¢ fee		
FEEs ADDITIONAL TO 20¢ FEE POD Form 3800 July 1963 NO INSURANCE COVERAGE PROVIDED— (See other side) NOT FOR INTERNATIONAL MAIL		

5001

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S). REQUIRED FEE(S) PAID.

☐ Show to whom, date and address where delivered ☐ Deliver ONLY to addressee

RECEIPT
Received the numbered article described below.

REGISTERED NO.	1 <i>Burr & Cooley</i> 2 <i>Joyce Hutchinson</i> 3	SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in)
CERTIFIED NO. 635918		SIGNATURE OF ADDRESSEE'S AGENT, IF ANY
INSURED NO.		SHOW WHERE DELIVERED (only if requested)
DATE DELIVERED JUN 8 1973		

65-16-71548-11 347-198 GPO

RECEIPT FOR CERTIFIED MAIL—20¢

No. 635922

SENT TO Tamanaco Oil Corp.		POSTMARK OR DATE
STREET AND NO. 152 Petroleum Center Bldg.		
CITY, STATE, AND ZIP CODE Farmington, N. M. 87401		
If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered If you want delivery only to addressee, check here <input type="checkbox"/> 50¢ fee		
FEEs ADDITIONAL TO 20¢ FEE POD Form 3800 July 1963 NO INSURANCE COVERAGE PROVIDED— (See other side) NOT FOR INTERNATIONAL MAIL		

5002

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S). REQUIRED FEE(S) PAID.

☐ Show to whom, date and address where delivered ☐ Deliver ONLY to addressee

RECEIPT
Received the numbered article described below.

REGISTERED NO.	1 <i>Burr & Cooley</i> 2 <i>Joyce Hutchinson</i> 3	SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in)
CERTIFIED NO. 635922		SIGNATURE OF ADDRESSEE'S AGENT, IF ANY
INSURED NO.		SHOW WHERE DELIVERED (only if requested)
DATE DELIVERED JUN 8 1973		

65-16-71648-11 347-128 GPO



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

June 7, 1973

I. R. TRUJILLO

CHAIRMAN

LAND COMMISSIONER

ALEX J. ARMIJO

MEMBER

STATE GEOLOGIST

A. L. PORTER, JR.

SECRETARY - DIRECTOR

CERTIFIED - RETURN
RECEIPT REQUESTED

Tamanaco Oil Corporation
c/o Verity, Burr & Cooley
152 Petroleum Center Building
Farmington, New Mexico 87401

Mr. H. K. Riddle
1400 Mesilla, N.E.
Albuquerque, New Mexico

Continental Casualty Company
2976 Wilshire Blvd.
Los Angeles, California

Tamanaco Oil Corporation
c/o Lorenzo Tapia, Esq.
Suite 1805 National Building
505 Marquette, N. W.
Albuquerque, New Mexico

Re: Pound Ranch "B" Well No. 27,
Unit B, Section 27, Township 28
North, Range 1 East, Rio Arriba
County, New Mexico, Continental
Casualty Company \$10,000 Blanket
Bond Form 39-A1

Gentlemen:

Enclosed is a copy of the docket of the Examiner
Hearing to be held on Wednesday, June 20, 1973, at 9:00
a.m. in the Oil Conservation Commission Conference Room,
State Land Office Building, Santa Fe, New Mexico. Case
No. 5002 concerns the subject matter.

Very truly yours,

WILLIAM F. CARR
Special Assistant Attorney General
Oil Conservation Commission

WFC/dr

enclosure

cc: Oil Conservation Commission - Aztec

DOCKET: REGULAR HEARING - WEDNESDAY - JUNE 20, 1973

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

CASE 4990: In the matter of the hearing called by the Oil Conservation Commission of New Mexico upon its own motion to consider the application of Thriftway Company, operator of a petroleum refinery in Bloomfield, New Mexico, for certification to the Commissioner of Public Lands as a small business enterprise within the state not having an adequate supply of charge stocks and eligible to be granted a preference, pursuant to Chapter 34, New Mexico Laws of 1967, for the purchase of state royalty oil. The Commission will consider the application and such pertinent evidence as may be submitted concerning the capacity of the refinery, the source and grade of all refinery charge stocks currently available to the applicant, the minimum amount and grade of additional refinery charge stocks needed to meet existing refinery commitments or existing refinery capacity, and the efforts made by applicant to purchase refinery charge stocks on the open market.

CASE 4991: Application of El Paso Natural Gas Company for the amendment of the prorated gas pool rules promulgated by Order No. R-1670, as amended.

Applicant, in the above-styled cause, seeks the amendment of the General Rules and Regulations for the Prorated Gas Pools of Northwest New Mexico and Southeast New Mexico, as promulgated by Commission Order No. R-1670, as amended. Applicant proposes:

1. That Rule 9 (B) of the Northwest New Mexico Gas Proration Rules and 10 (A) of the Southeast New Mexico Gas Proration Rules each be amended to provide that the monthly allowable assigned to a marginal well would be equal to its latest available monthly production.

2. That Rule 13 of the Northwest New Mexico and Southeast New Mexico Gas Proration Rules be amended to provide that the proration period would be the 12-month period from 7:00 a.m. April 1 of each year to 7:00 a.m. April 1 of the following year. (The current proration period, due to terminate at 7:00 a.m. January 1, 1974, would be extended to 7:00 a.m. April 1, 1974).

3. That Rule 16 (A) of the Northwest New Mexico and Southeast New Mexico Gas Proration Rules be amended to provide that each proration period consist of four classification periods for the purpose of classifying wells marginal, each such classification period being of three months duration; and to provide that after production data is available for the last month of each such classification period, any well which had an underproduced status at the beginning of the gas proration period would be classified marginal

(Case 4991 continued from Page 1)

if its highest single month's production during the classification period is less than its average monthly allowable for the classification period, unless within 15 days after receipt of notice of classification of a well as marginal, the operator of the well or other interested person presents satisfactory evidence to the Commission showing that the well is not of marginal character and should not be so classified.

Applicant, in addition to the above-requested specific rule changes, further requests such additional word changes in other orders and/or Rules of the Commission (including but not limited to Order No. R-333-F-1) as may be necessary to effectuate the substantive rule changes proposed herein.

CASE 4992: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Corinne Grace and the Travelers Indemnity Company and all other interested parties to appear and show cause why the Ranger Lake Wells Nos. 1 and 3 located in Unit N of Section 11, Township 12 South, Range 34 East, Lea County, New Mexico should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4993: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Corinne Grace and the Travelers Indemnity Company and all other interested parties to appear and show cause why the T. P. State Well No. 1 located in Unit A of Section 17, Township 10 South, Range 33 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4994: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Glenn Petroleum Corporation and United States Fire Insurance Company and all other interested parties to appear and show cause why the Crosby Well No. 1 located in Unit O of Section 26, Township 7 South, Range 30 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4995: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Glenn Petroleum Corporation and United States Fire Insurance Company and all other interested parties to appear and show cause why the Sanders Well No. 1 located in Unit N of Section 25, Township 7 South, Range 30 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

- CASE 4996: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit C. H. Brockett Inc. and the Indemnity Company and all other interested parties to appear and show cause why the Lazy J State "A" Well No. 1 located in Unit A of Section 3, Township 14 South, Range 33 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 4997: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Jal Fishing Tool Company and United States Fidelity & Guarantee Company and all other interested parties to appear and show cause why the H. Whitten Well No. 1 located in Unit C of Section 4, Township 24 South, Range 36 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 4998: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit E. P. Campbell and Aetna Casualty and Surety Company and all other interested parties to appear and show cause why the E. P. Campbell Christmas Well No. 1 located in Unit C of Section 6, Township 23 South, Range 36 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 4999: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Standard Production Company and Aetna Life & Casualty and all other interested parties to appear and show cause why the Brown Lease Wells Nos. 1, 2, 3, 4, 5, and 5-A, located in Units F, D, C, F, E, and E, respectively, of Section 25, Township 25 South, Range 36 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program, and why the location of Well No. 6 in Unit L and No. 7 in Unit M of said Section 25 should not be cleaned and levelled.
- CASE 5000: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Aztec Oil and Gas Company and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Aztec Totah Unit Wells Nos. 17 and 18, located in Unit E of Section 20, and Unit H of Section 19, respectively, Township 29 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5001: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Tamanaco Oil Corporation and Continental Casualty Company and all other interested parties to appear and show cause why the El Poso Ranch "N" Well No. 11 located in Unit N of Section 11, Township 28 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5002: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Tamanaco Oil Corporation and Continental Casualty Company and all other interested parties to appear and show cause why the Pound Ranch "B" Well No. 27 located in Unit B of Section 27, Township 28 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5003: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Dan M. Lockie and Hartford Fire Insurance Company Group and all other interested parties to appear and show cause why the Dan M. Lockie, Gersbach Com #1 located in Unit J of Section 3, Township 29 North, Range 16 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5004: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Pettus and Associates and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Pettus and Associates, Hunt Well No. 1 located in Unit K of Section 3, Township 29 North, Range 16 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5005: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Pettus and Associates and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Pettus and Associates, Don Stock Well No. 1 located in Unit E of Section 3, Township 29 North, Range 16 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5006: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Aztec Oil and Gas Company and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Southeast Cha Cha Unit Well No. 1 located in Unit M of Section 32, Township 29 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4989: (Continued from the June 6, 1973, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the amendment of the general rules governing prorated gas pools in Northwest and Southeast New Mexico as promulgated by Order No. R-1670, as amended. Rule 15 of the aforesaid general rules would be amended to provide that if a well is overproduced in an amount exceeding six times its average monthly allowable for the preceding twelve months (or, in the case of a newly connected well or a well in a newly prorated pool, six times its average monthly allowable for the months available), it shall be shut in during that month and each succeeding month until it is overproduced in an amount less than six times its average monthly allowable, as determined above.

Rule 15 would be further amended to permit the Secretary-Director of the Commission to grant a pool-wide moratorium of up to three months on the shutting in of gas wells during periods of high demand emergency if a significant number of the wells in the pool are subject to being shut in.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

Ex 7
Cert.

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION COMMISSION ON ITS OWN
MOTION TO PERMIT TAMANACO OIL CORPORATION
AND CONTINENTAL CASUALTY COMPANY AND ALL
OTHER INTERESTED PARTIES TO APPEAR AND SHOW
CAUSE WHY THE EL POSO RANCH "N" WELL NO. 11
LOCATED IN UNIT N OF SECTION 11, TOWNSHIP
28 NORTH, RANGE 1 EAST, RIO ARRIBA COUNTY,
NEW MEXICO, SHOULD NOT BE PLUGGED AND
ABANDONED IN ACCORDANCE WITH A COMMISSION-
APPROVED PLUGGING PROGRAM.

CASE NO. 5001
Order No. R-4575

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 20, 1973, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of June, 1973, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

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

(2) That Tamanaco Oil Corporation is the owner and operator of the El Poso Ranch "N" Well No. 11, located in Unit N of Section 11, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.

(3) That in order to prevent waste and protect correlative rights said El Poso Ranch "N" Well No. 11 should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Commission on or before August 1, 1973.

IT IS THEREFORE ORDERED:

(1) That Tamanaco Oil Corporation and Continental Casualty Company are hereby ordered to plug and abandon the El Poso Ranch

-2-

Case No. 5001
Order No. R-4575

"N" Well No. 11, located in Unit N of Section 11, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico, on or before August 1, 1973.

(2) That Tamanaco Oil Corporation and Continental Casualty Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Aztec Office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE NO. 5002
Order No. R-4576

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION COMMISSION ON ITS
OWN MOTION TO PERMIT TAMANACO OIL CORP-
ORATION AND CONTINENTAL CASUALTY COMPANY
AND ALL OTHER INTERESTED PARTIES TO
APPEAR AND SHOW CAUSE WHY THE POUND RANCH
"B" WELL NO. 27 LOCATED IN UNIT B OF
SECTION 27, TOWNSHIP 28 NORTH, RANGE 1
EAST, RIO ARriba COUNTY, NEW MEXICO, SHOULD
NOT BE PLUGGED AND ABANDONED IN ACCORDANCE
WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 20, 1973, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of June, 1973, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

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

(2) That Tamanaco Oil Corporation is the owner and operator of the Pound Ranch "B" Well No. 27, located in Unit B of Section 27, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.

(3) That in order to prevent waste and protect correlative rights said Pound Ranch "B" Well No. 27 should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Commission on or before August 1, 1973.

Case No. 5002
Order No. R-4576

IT IS THEREFORE ORDERED:

(1) That Tamanaco Oil Corporation and Continental Casualty Company are hereby ordered to plug and abandon the Pound Ranch "B" Well No. 27, located in Unit B of Section 27, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico, on or before August 1, 1973.

(2) That Tamanaco Oil Corporation and Continental Casualty Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Aztec Office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

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

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

ac/



Dec. 12, 1973

Oil Conservation Commission
State of New Mexico
Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. William F. Carr, General Counsel

Re: Tamanaco Oil Corp. wells 11N and 27B,
T. 28 N., R. 1 E., Rio Arriba County;
Plugging and abandoning.

Dear Mr. Carr:

We have continuously contacted various well plugging contractors and casing pullers since June of this year to abandon the captioned wells. Two of them are making promises to do the job, but always with the advice of delays. Bedford Inc. of Farmington is now saying that he can do the job 30 to 60 days from now, but last summer he said the same thing, when weather was good. From now on, through the winter, it may become impossible.

I have a contractor friend who has drilled some wells near Chama; Bob Grimm Drilling Co. of Belen, is coming by Sunday and we are going up there to look at the road conditions, etc;. He will be moving his rig out of that area soon, and agrees that if he can get onto these locations he will do the job for me. I am afraid that my promises can be no better than the ones I am getting from these various contractors. Grimm has been promising me to do this for two months now, however, I pinned him down at lunch this week and I believe he is going to perform.

I wish to advise you that I pumped the 27 B well, at about 5 bbls per day, not too long ago with some consideration of producing it.. It makes no water, and enough gas to fuel the pump engine. Grimm is interested in looking into this possibility, of producing the well and perhaps drilling another. He would abandon the 11 N well for the casing from it. I might add, the 11 N well will make enough gas to supply some industry or homes; is a shut in gas well. With these facts in mind, and since casing is cemented in both wells I can see no big damage they are causing and time is of no particular concern.

Yours very truly,

Tamanaco Oil Corporation

By: H. K. Riddle

cc: CNA Insurance
Chicago, Illinois.

EXHIBIT A

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Cert
ex 9

December 17, 1973

Mr. H. K. Riddle
Tamanaco Oil Corporation
Rt. 5, Box 5466
Albuquerque, New Mexico 87112

Re: Tamanaco Oil Corp. Wells 11 N and 27 B,
Township 28 North, Range 1 East, Rio
Arriba County, New Mexico, Plugging
and Abandoning

Dear Mr. Riddle:

I have read with interest your letter of December 12, 1973, in which you outline the efforts you have made to get the above-captioned wells plugged and abandoned as provided by Oil Conservation Commission Order No. R-4575, a copy of which is attached. I find it curious that you would have such a difficult time getting these plugged when other operators encounter no such problems. Perhaps you should attempt to get some other individuals to plug these wells -- individuals who could give you more reliable promises.

The comments which you made concerning the interest you and Mr. Bob Grimm have in putting the 27 B Well on production, if valid, should have been made before the Commission on June 20, 1973, pursuant to the notice which I sent to you by certified mail on June 7, 1973. I also have a return receipt signed by one Donna Riddle on this letter.

Since you elected not to appear at that hearing, Order No. R-4575 was entered. If you were not satisfied with this order, you had 20 days within which to apply for a rehearing under Section 65-3-22 New Mexico Statutes Annotated 1953. Since you elected not to apply for a rehearing, the order became final on July 19, 1973, and must be obeyed.

As to your statement that "time is of no particular concern.", the following may be of interest to you:

1. Since August 1, 1973, Tamanaco Oil Corporation has been in violation of Commission Order No. R-4575 and liable for penalties for such violation.

EXHIBIT B

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OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Mr. H. K. Riddle

-2-

December 17, 1973

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2. The Commission has received repeated excuses for the operator's failure to obey this order.
 3. The Commission made a plugging demand on the surety, Continental Casualty, on September 26, 1973, which was reaffirmed on October 17, 1973.
 4. Mr. Riddle's letter of December 12, 1973, is the first written correspondence with the legal division of the Oil Conservation Commission since June, 1973.
 5. That on January 7, 1973, at 10:00 a.m. the Oil Conservation Commission intends to file a complaint in District Court naming Tamanaco Oil Corporation, H. K. Riddle and CNA Insurance as defendants, seeking compliance with Oil Conservation Commission Order No. R-4575, performance under the Tamanaco \$10,000 Plugging Bond and all appropriate fines. (Section 65-3-27 (b) N.M.S.A., 1953, provides for fines of up to \$1,000 per day for each day a Commission order is violated.)

It appears to me, that unlike the representation in your letter of December 12, 1973, time is of particular concern -- particularly to you and Tamanaco Oil Corporation. The Commission does not appreciate either your repeated excuses concerning the plugging of these wells nor the attitude of your letter of December 12 in which you determine that these wells, in their present condition, are causing no damage and that time is of no particular concern.

I trust you will promptly take care of this matter. When you plug these wells you must first contact our Aztec office so that a Commission representative can be present to witness the plugging. You may direct any further questions to me or to Mr. Al Kendrick in the Aztec office.

Sincerely,

WILLIAM F. CARR
General Counsel

WFC/dr
enclosure

cc: Mr. Al Kendrick
CNA Insurance



Ex 10

January 15, 1974

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. William F. Carr, General Counsel

Re: Tamanaco Oil Corporation
Wells 11 N and 27 B., 28 N. 1 E.

Dear Mr. Carr:

Since our efforts to plug the captioned wells in accordance with your letter of Dec. 17th., we have been advised by Mr. J. W. Neal of Hobbs, attorney for Dr. Maddox who owns the Pound and El Poso Ranches upon which said wells are located, that they do not want the wells plugged; that they could use gas from either well for heating their ranch headquarters located nearby; that they want the oil well pumped and perhaps other wells drilled.

Grimm Drilling Company has moved a rotary rig as near to the locations as they can get until snow and road conditions improve. They are interested in either plugging the wells, which I cannot now do, or in drilling another or other wells.

I believe Mr. Neal said that he and Dr. Maddox, with me, would come to Santa Fe to see you about this matter in the near future.

Yours very truly,

A handwritten signature in dark ink, appearing to read 'H. K. Riddle', is written over the typed name.

H. K. Riddle

cc: Mr. J. W. Neal, Attorney
Box 278
Hobbs, New Mexico

EXHIBIT C

Ex 11
Cert.

Notice of intention to plug must be filed with the Commission by the owner or his agent prior to the commencement of plugging operations on Form C-103, Sundry Notices and Reports on Wells, which notice shall state the name and location of the well and the name of the operator. In the case of a newly completed dry hole, the operator may commence plugging by securing the approval of the Commission as to the method of plugging and the time plugging operations are to begin. He shall, however, file the regular notification form.

RULE 202. METHOD OF PLUGGING

(a) Before any well is abandoned, it shall be plugged in a manner which will permanently confine all oil, gas, and water in the separate strata originally containing them. This operation shall be accomplished by the use of mud-laden fluid, cement and plugs, used singly or in combination, as may be approved by the Commission. The exact location of abandoned wells shall be shown by a steel marker at least four inches in diameter set in concrete and extending at least four feet above mean ground level. The name and number of the well and its location (unit letter, section, township, and range) shall be welded, stamped, or otherwise permanently engraved into the metal of the marker. Seismic, core or other exploratory holes drilled to or below sands containing fresh water shall be plugged and abandoned in accordance with the applicable provisions recited above. Permanent markers are not required on seismic holes.

Within thirty days following the completion of plugging operations on any well, a record of the work done shall be filed with the Commission in TRIPLICATE, on Form C-103. Such report shall be filed by the owner of the well and shall include the date the plugging operations were begun along with the date the work was completed; a detailed account of the manner in which the work was performed; the depths and lengths of the various plugs set; the nature and quantities of materials employed in plugging operations; the amount, size, and depth of all casing left in the hole and the weight of mud employed in plugging the well and any other pertinent information. No plugging report submitted on Form C-103 shall be approved by the Commission unless such report specifically states that pits have been filled and the location levelled, and cleared of junk. The filing of Form C-105, Well Completion or Recompletion Report and Log, is also necessary to obtain Commission approval of a plugging report.

It shall be the responsibility of the owner of the plugged well to contact the appropriate District Office of the Commission to arrange for an inspection of the plugged well and the location by a Commission representative.

(b) If a well is to be abandoned temporarily and no casing pulled, then a plug shall be placed at the top and bottom of the casing in such manner as to prevent the intrusion of any foreign matter into the well and a record of the work done shall be filed with the Commission in TRIPLICATE on Form C-103 within thirty days following the completion of the temporary plugging operations.

(c) When drilling operations have been suspended for sixty days, the well shall be plugged and abandoned unless a permit for temporary abandonment has been obtained from the Commission.

RULE 203. WELLS TO BE USED FOR FRESH WATER

When the well to be plugged may safely be used as a fresh water well and such utilization is desired by the landowner, the well need not be filled above a sealing plug set below the fresh water formation, provided that written agreement for such use shall be secured from the landowner and filed with the Commission.

RULE 204. LIABILITY

The owner of any well drilled for oil or gas, or any seismic, core or other exploratory holes, whether cased or uncased, shall be responsible for the plugging thereof.



RECEIVED

FEB 23 1978

Oil Conservation Commission

Feb. 23, 1978

Mr Lynn Teschendorf
Assistant District Attorney
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

I have just returned to Albuquerque to receive from Tapia & Campos, Attorneys, the Interrogatories you requested in connection with the Oil Conservation Comm. vs. Tamanaco.

I will answer your questions by the numbers.

1. Yes, as above letter head.
2. Yes.
3. We obtained the lease in about 1961 covering most all of the El Paso Ranch, several thousand acres. We drilled 7 wells including the ones referred to in your case. we paid rentals only once and allowed the lease to expire, in about 1963. All information is from memory.
4. We drilled only the one well on ~~each~~ each of the two locations referred to in your case, Nos. 11 and 27. We did drill another about half way between these two, which was plugged in accordance with the State's regulations and with their approval.
5. Your inquiry states properly the nos and descriptions. 5 $\frac{1}{2}$ " casing was set in both wells, in #11 to about 900' and tested to produce about one-half million feet of gas. It was shut in with a locked valve, and remains so. 5 $\frac{1}{2}$ " was set to about 1400' in the #27 well. This well was pumped three different times for one to two weeks. It makes about 3 to 4 bbls per day, high gravity oil with no water and sufficient gas to run the pump engine. The last time it was pumped in 1974 or 75 for 3 weeks, off and on and half filled a 50 bbl. tank truck. Before the truck was moved out and the pump equipment removed, the oil was either stolen or drained from the truck. The tubing, rods and down hole equipment remains ready to operate. To answer other numbers following; we had in the beginning, two regular 200 bbl. tanks on this location, had pumped one of them over half full, perhaps more, of oil. Shortly after we stopped pumping in about 1962 or 3 the oil and tanks were stolen, including the pumping unit and all oil pipe lines to the tanks.

#2

Mr. Lynn Teschendorf

8. I presume I have received all notices sent to Mr. Tapia but I cannot remember specifically.
10. Each year two or three times, since 1973 I have called every well plugger I can find out about to plug these wells. I have Malcom Kitchens of Farmington continuously assisting me to find a plugger as he knows them all. None have ever agreed to do it because they are too busy plugging holes near to them, for the casing in exchange.
- ~~XXXXXXXXXXXX~~ In 1974 or 75 I contracted with Grim drilling Co. of Belen to go in, plug this well and to move to another location nearby and drill another. We at that time obtained a new contract for lease from the land owner, Dr. Maddox. Grim never performed.
15. There is surface water near the surface in this area. We cemented surface casing to about 60', shut off the surface water and the hole drilled dry to casing point. No water has ever shown during pumping of this well. I believe all of the other numbers have been answered.

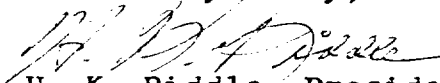
Grim Drilling Co. promises from year to year to move in and drill other wells, so I have given up on them. We now have acquired a rig, which is running in Kentucky. As soon as we complete operation there, we plan to move it back here and drill some more wells on the El Poso Ranch, near and around the #27 well.

We left the #11 as a gas well because Bob Katsmon of Albuquerque was building some houses near-by, and Dr. Maddox wanted the gas for his ranch houses and Katsons houses. Without Dr. Maddox approval, I would not like to plug the gas well, unless upon examination (opening the locked Valve) we find the gas we had in the beginning is not there now. We would make this examination and plug the well when we move our rig there to drill other wells.

Most of the files and logs on these operations were lost in transit when we moved our offices to Albuquerque. I have obtained some electric logs from other companies but most information is from memory. There are no formation tops of importance since Mancos shale is on the surface and all the way down to the producing zone, which is from fractures in the Mancos.

If Grim Drilling does not move in to drill for us this summer, as they again promise, we will move our rig in this summer if we finish in Kentucky, or next year.

Yours very truly,


H. K. Riddle, President

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

June 7, 1973

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

CERTIFIED - RETURN
RECEIPT REQUESTED

Tamanaco Oil Corporation
c/o Verity, Burr & Cooley
152 Petroleum Center Building
Farmington, New Mexico 87401

Mr. H. K. Riddle
1400 Mesilla, N.E.
Albuquerque, New Mexico

Continental Casualty Company
2976 Wilshire Blvd.
Los Angeles, California

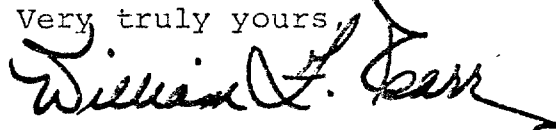
Tamanaco Oil Corporation
c/o Lorenzo Tapia, Esq.
Suite 1805 National Building
505 Marquette, N. W.
Albuquerque, New Mexico

Re: Pound Ranch "B" Well No. 27,
Unit B, Section 27, Township 28
North, Range 1 East, Rio Arriba
County, New Mexico, Continental
Casualty Company \$10,000 Blanket
Bond Form 39-A1

Gentlemen:

Enclosed is a copy of the docket of the Examiner
Hearing to be held on Wednesday, June 20, 1973, at 9:00
a.m. in the Oil Conservation Commission Conference Room,
State Land Office Building, Santa Fe, New Mexico. Case
No. 5002 concerns the subject matter.

Very truly yours,



WILLIAM F. CARR
Special Assistant Attorney General
Oil Conservation Commission

WFC/dr
enclosure
cc: Oil Conservation Commission - Aztec