



**Old Republic Surety Company  
Old Republic Insurance Company  
Bituminous Casualty Corporation  
International Business & Mercantile REassurance Company**

P.O. Box 1635, Milwaukee, WI 53201  
Phone: (414) 797-2640 / Fax: (414) 797-9495

July 10, 1996

Rand Carroll, Esq.  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe. NM 87505

Re: **Claim No.:** 21346  
**Bond No.:** ~~LSC 659001~~  
**Principal:** Spur Oil, Inc.  
**Company:** Old Republic Insurance Company  
**Ref:** Samantha #1, L-26-28N-01E, API #30-039-23442  
Samantha #2, K-26-28N-01E, API #30-039-23444  
Samantha #3, N-26-28N-01E, API #30-039-23446  
Gonzales 13, #1, I-13-31N-01E, API #30-039-24081  
Gonzales 18, #1, M-18-31N-02E, API #30-039-23805  
Quinlan Ranch #1, H-23-32N-02E, API #30-039-22135  
Quinlan Ranch #2, N-19-31N-03E, API #30-039-24504  
  
Your File: OCD Case No. 11508

Dear Mr. Carroll:

We have received a copy of the Oil Conservation Division's order dated July 1, 1996. It is still our belief and hope that all wells will be brought into compliance with New Mexico regulations. However, if that does not occur, we simply ask that we be given an opportunity to obtain bids on the cost of plugging the wells. As you know, we did that in the Diamondback Petroleum case and it worked out very well. Thank you for your time and consideration.

Very truly yours,

OLD REPUBLIC SURETY

Paul S. Guardalabene  
Assistant Vice President, Claims  
414/797-2675

PSG/ch

NEW MEXICO OIL CONSERVATION DIVISION  
2040 SOUTH PACHECO  
SANTA FE, NM 87505

March 15, 1996

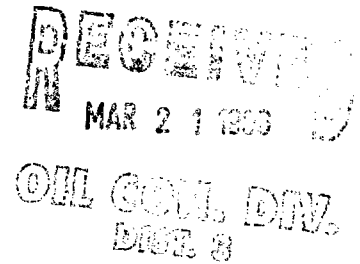
**Certified Mail**  
**Return Receipt Requested**

Spur Oil, Inc.  
3107 N. Haskell  
Dallas, TX 75204

Fred Shelton, Jr.  
3501 Gillon  
Dallas, TX 75205

Fred Shelton, III  
P.O. Box 6666  
Buffalo Gap, TX 79508

Old Republic Insurance Company  
P.O. Box 1635  
Milwaukee, WI 53201



RE:   OCD Case No. 11508  
Application of the New Mexico Oil Conservation Division for a Show Cause Hearing  
requiring Spur Oil, Inc. and other interested parties to appear and show cause why seven  
wells in Rio Arriba County, NM should not be plugged and abandoned

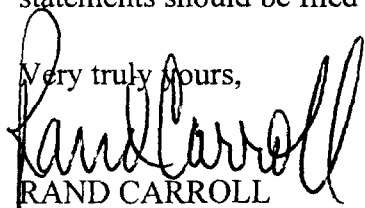
Dear Sir/Madam:

This letter is to advise you that the New Mexico Oil Conservation Division has filed the enclosed application seeking a Show Cause Hearing requiring Spur Oil, Inc. and other interested parties to appear and show cause why the above-referenced wells should not be ordered plugged and abandoned..

This application has been set for hearing before an Examiner of the Oil Conservation Division on April 4, 1996. You are not required to attend this hearing, but as an owner of an interest that may be affected by an order issued in this case, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90--- Enclosed) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

A handwritten signature in black ink, appearing to read "Rand Carroll", written over the typed name.

RAND CARROLL

ATTORNEY FOR THE NEW MEXICO OIL CONSERVATION DIVISION

Enclosures

cc: Johnny Robinson, OCD Aztec

**TELEFAX MEMORANDUM**

**FROM SANTA FE OFFICE OF  
NORDHAUS, HALTOM, TAYLOR, TARADASH & FRYE, LLP**

200 West De Vargas Street, Suite 9  
Santa Fe, NM 87501  
Telephone: (505) 982-3622  
Telefax: (505) 982-1827

Please deliver the following pages:

TO: District III Office, Oil Conservation Division

FAX NUMBER: (505) 334-6170

FROM: Wayne H. Bladh

DATE: November 29, 1995

TIME:

NO. OF PAGES: 3 (including this page)

RE: Fred B. Shelton III/Dune Petroleum Corporation

COMMENTS:

Confirmation No. (505) 982-3622

In House CC: 100.07

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NOV 30 1995  
OIL CON. DIV.  
DUNE

The information contained in this facsimile message is attorney-client privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that reading, disseminating, distributing, or copying this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone, and destroy the fax copy you inadvertently received. Thank you.

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Drazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-101  
Revised October 18, 1994

Instructions on back  
Submit to Appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address. Amoco Production Company P.O. Box 800 Denver, Colorado 80201		<sup>3</sup> OGRID Number 000778
		<sup>5</sup> API Number 30 - 0
<sup>4</sup> Property Code	<sup>6</sup> Property Name Archuleta	<sup>8</sup> Well No. #1B

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	30	30N	8W		980	North	1230	West	San Juan

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>9</sup> Proposed Pool 1 Blanco Mesaverde					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 5651'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 4739'	<sup>18</sup> Formation Gallup	<sup>19</sup> Contractor Aztec	<sup>20</sup> Spud Date 6/1/95

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12.25"	8.625"	24#	50'	30sk C1 B	Surface
7.88"	5.5"	14#	2629'	395sk C1 B	Surface
4.75"	2.875"	6.5#	4739'	165sk C1 B	2400'

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

See Attached:

RECEIVED  
MAY - 8 1995  
OIL CON. DIV.  
DIST. 3

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Julie L. Acevedo</i>		OIL CONSERVATION DIVISION	
Printed name: Julie L. Acevedo		Approved by:	
Title: Sr. Staff Assistant		Title:	
Date: 5/4/95		Approval Date:	Expiration Date:
Phone: 303-830-6003		Conditions of Approval: Attached <input type="checkbox"/>	

**NORDHAUS HALTOM TAYLOR  
TARADASH & FRYE, LLP**

ATTORNEYS AT LAW

ALBUQUERQUE OFFICE

SUITE 1050

500 MARQUETTE AVENUE, N.W.  
ALBUQUERQUE, NEW MEXICO 87102

TELEPHONE (505) 243-4270  
TELEFAX (505) 243-4464

SANTA FE OFFICE

SUITE B

200 W. DE VARGAS STREET  
SANTA FE, NEW MEXICO 87501

TELEPHONE (505) 882-3622  
TELEFAX (505) 882-1837

WASHINGTON, D.C. OFFICE

SUITE 407

1150 CONNECTICUT AVENUE, N.W.  
WASHINGTON, D.C. 20036

TELEPHONE (202) 429-6601  
TELEFAX (202) 429-6604

R. REID HALTOM  
LESTER K. TAYLOR  
ALAN H. TARADASH  
PAUL E. FRYE  
WAYNE H. BLADH  
LEE BERGEN  
TERESA LEFER DE FERNANDEZ  
JILL E. GRANT

DANIEL F. ORTEGA  
CAROLYN G. PASTERNAK  
MELANIE P. BAISE  
JOSHUA S. GRINSPOON  
JESSICA R. ABERLY  
SHENAN R. ATCHITY

LISA M. ENFIELD, CLERK

*Reply to Santa Fe Office*

November 29, 1995

VIA FACSIMILE (505) 334-6170

Oil Conservation Division  
District III Office  
Energy, Minerals and Natural Resources  
Department  
State of New Mexico  
1000 Rio Brazos Road  
Aztec, NM 87410

**RECEIVED**  
NOV 30 1995

**OIL CON. DIV.**  
**DIST. 3**

Re: Fred B. Shelton, III/Dunc Petroleum Corporation

Dear Sirs:

This law firm represents the Jicarilla Apache Tribe.

The Tribe has been informed that Fred B. Shelton III and/or Dunc Petroleum Corporation proposes to drill the following wells located within the Jicarilla Apache Reservation in Rio Arriba County:

El Vado Ranch No. 1, located in Section 11, T.28N., R.1E.

El Vado Ranch No. 2, located in Section 11, T.28N., R.1E.

El Vado Ranch No. 3, located in Section 14, T.28N., R.1E.

El Vado Ranch No. 4, located in Section 14, T.28N., R.1E.

El Vado Ranch No. 5, located in Section 14, T.28N., R.1E.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. SF-078772	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR NORTHWEST PIPELINE CORPORATION OGRID 16189		7. UNIT AGREEMENT NAME ROSA UNIT 008480	
3. ADDRESS AND TELEPHONE NO. c/o Walsh Engr. & Prod. Corp. 7415 E. Main Farmington, New Mexico 87402 505 327-4892		8. FARM OR LEASE NAME, WELL NO. #89A	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 805' FSL & 1965' FEL At proposed prod. zone Same		9. API WELL NO.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 25 miles Northeast of Blanco, New Mexico		10. FIELD AND POOL, OR WILDCAT BLANCO MESA VERDE 72319	
16. NO. OF ACRES IN LEASE 2561.86		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 34, T32N, R6W	
17. NO. OF ACRES ASSIGNED TO THIS WELL 344.59		12. COUNTY OR PARISH Rio Arriba	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1500'		13. STATE N.M.	
19. PROPOSED DEPTH 5935'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show top of hole, etc.) 6272' GR		22. APPROX. DATE WORK WILL START* April 15, 1995	
23. PROPOSED CASING AND CEMENTING PROGRAM			

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8", K-55	36.0	250'	161 cuft Cl "B" w/3% CaCl2
8-3/4"	7" K-55	20.0	3530'	841 cuft 65/35 poz, 189 cuft Cl "B"
6-1/4"	4-1/2", K-55	10.5	3430-5935'	424 cuft Cl "B" with 4% gel & additives

NORTHWEST PIPELINE proposes to drill a vertical well to develop the Mesa Verde formation at the above described site in accordance with the attached drilling and surface use program.

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS"

This location has been archaeologically surveyed by CRMC. Copies of the report will be submitted directly to your office.

This APD also is serving as an application to obtain BLM road and pipeline right-of-way. The access road will be approximately 337' of new road crossing the SW/SE of Section 34 where it joins with an existing road that crosses the NE/SE of Section 34; N/2 SW/4, NW/SE and SE/SE of Section 35; SW/4, E/2 NW/4, N/2 NE/4 of Section 36 all of T32N, R6W; N/2 N/2 of Section 31, W/2 NW/4, NW/SW, S/2 of Section 32, T32N, R5W, and the N/2 NE/4 Section 5, and the Sw/SW of Section 4, T31N, R5W where it joins with the main Rosa Unit Road. The Rosa Road continues SW approximately 22 miles where it joins with the Sims Mesa Highway.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Paul C. Thompson TITLE Paul C. Thompson, Agent DATE 3/31/95

(This space for Federal or State office use)

PERMIT NO. RECEIVED APPROVAL DATE APPROVED AS AMENDED  
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to sue thereon.  
CONDITIONS OF APPROVAL, IF ANY: MAY 15 1995

APPROVED BY OIL CON. DIV. NMOC D  
DATE 3 \*See Instructions On Reverse Side

MAY 11 1995  
DISTRICT MANAGER

NORDHAUS HALTOM TAYLOR  
TARADASH & FRYE, LLP  
ATTORNEYS AT LAW

Oil Conservation Division  
November 29, 1995  
Page 2

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OIL CON. DIV.  
DML:3

Fred B. Shelton, III and Dune Petroleum Corporation apparently hold an oil and gas lease for the mineral estate underlying these lands. The mineral estate has been severed from the surface estate. The surface estate is held by the United States of America in trust for the Jicarilla Apache Tribe, and is part of the Jicarilla Apache Reservation.

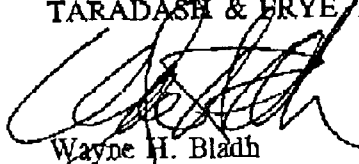
This letter is to inform the Oil Conservation Division that neither the Jicarilla Apache Tribe nor the United States of America has approved surface use of the proposed well sites or the proposed access roads to the five wells identified above. The Tribe has been informed by the Bureau of Indian Affairs that neither Fred B. Shelton, III nor Dune Petroleum Corporation has applied for or received the necessary rights-of-way or surface use permits required by federal law.

As the beneficial owner of the surface rights which would be affected by drilling the proposed wells described above, the Jicarilla Apache Tribe hereby requests that the Oil Conservation Division give notice to the Tribe prior to approving any application for permission to drill these wells. Notice should be provided to the Santa Fe office of this law firm and to Thurman Velarde, Oil and Gas Administration, Jicarilla Apache Tribe, Post Office Box 507, Dulce, NM 87528.

If you have any questions concerning the failure of these operators to obtain surface owner consent for the proposed drilling, please do not hesitate to contact me at the Santa Fe office of this law firm.

Sincerely,

NORDHAUS, HALTOM, TAYLOR,  
TARADASH & FRYE, LLP



Wayne H. Bladh

WHB:ju

cc: Thurman Velarde



District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-101  
Revised February 21, 1994  
Instructions on back  
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Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address. Meridian Oil Inc. PO Box 4289 Farmington, NM 87499		<sup>2</sup> OGRID Number 14538
		<sup>3</sup> API Number 30 - 045-27138
<sup>4</sup> Property Code 6785	<sup>5</sup> Property Name Allison Unit Com	<sup>6</sup> Well No. 122

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	31	32N	6W		935	N	880	E	SJ

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>9</sup> Proposed Pool 1 Basin Fruitland Coal					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 6327' GR
<sup>16</sup> Multiple	<sup>17</sup> Proposed Depth 3255'	<sup>18</sup> Formation Fruitland Coal	<sup>19</sup> Contractor	<sup>20</sup> Spud Date 2nd quarter 1995

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	36.0#	200'	118 cu.ft.	surface
8 3/4"	7"	20.0#	2925'	791 cu.ft.	surface
6 1/4"	4 1/2"	10.5#	2775-3255'	uncemented liner	

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

11"2000 psi minimum double gate BOP

RECEIVED  
MAY 17 1995  
OIL CON. DIV.  
DIST. 3

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Peggy Bradfield</i>		OIL CONSERVATION DIVISION	
Printed Name: Peggy Bradfield		Approved by:	
Title: Regulatory Administrator		Title:	
Date: 04-24-95		Approval Date:	Expiration Date:
Phone: 505-326-9700		Conditions of Approval: Attached <input type="checkbox"/>	

**NORDHAUS HALTOM TAYLOR  
TARADASH & FRYE, LLP**

ATTORNEYS AT LAW

**ALBUQUERQUE OFFICE**

SUITE 1050  
500 MARQUETTE AVENUE, N.W.  
ALBUQUERQUE, NEW MEXICO 87102

TELEPHONE (505) 243-4275  
TELEFAX (505) 243-4464

**SANTA FE OFFICE**

SUITE 9  
200 W. DE VARGAS STREET  
SANTA FE, NEW MEXICO 87501  
TELEPHONE (505) 982-3622  
TELEFAX (505) 982-1827

**WASHINGTON, D.C. OFFICE**

SUITE 407  
1155 CONNECTICUT AVENUE, N.W.  
WASHINGTON, D.C. 20036  
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TELEFAX (202) 467-4924

B. REID HALTOM  
LESTER K. TAYLOR  
ALAN R. TARADASH  
PAUL E. FRYE  
WAYNE H. BLADH  
LEE BERGEN  
TERESA LEGER DE FERNANDEZ  
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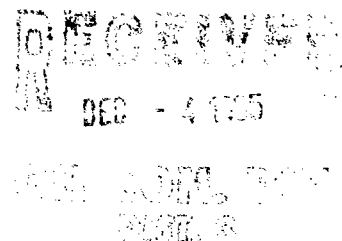
LISA M. ENFIELD, OF COUNSEL

*Reply to Santa Fe Office*

November 29, 1995

VIA FACSIMILE (505) 334-6170

Oil Conservation Division  
District III Office  
Energy, Minerals and Natural Resources  
Department  
State of New Mexico  
1000 Rio Brazos Road  
Aztec, NM 87410



**Re: Fred B. Shelton, III/Dune Petroleum Corporation**

Dear Sirs:

This law firm represents the Jicarilla Apache Tribe.

The Tribe has been informed that Fred B. Shelton III and/or Dune Petroleum Corporation proposes to drill the following wells located within the Jicarilla Apache Reservation in Rio Arriba County:

El Vado Ranch No. 1, located in Section 11, T.28N., R.1E.

El Vado Ranch No. 2, located in Section 11, T.28N., R.1E.

El Vado Ranch No. 3, located in Section 14, T.28N., R.1E.

El Vado Ranch No. 4, located in Section 14, T.28N., R.1E.

El Vado Ranch No. 5, located in Section 14, T.28N., R.1E.

NORDHAUS HALTOM TAYLOR  
· TARADASH & FRYE, LLP  
ATTORNEYS AT LAW

Oil Conservation Division  
November 29, 1995  
Page 2

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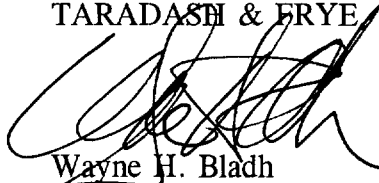
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If you have any questions concerning the failure of these operators to obtain surface owner consent for the proposed drilling, please do not hesitate to contact me at the Santa Fe office of this law firm.

Sincerely,

NORDHAUS, HALTOM, TAYLOR,  
TARADASH & FRYE, LLP



Wayne H. Bladh

WHB:ju  
cc: Thurman Velarde



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE



GARY E. JOHNSON  
GOVERNOR

JENNIFER A. SALISBURY  
CABINET SECRETARY

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178 FAX: (505) 334-6170

August 8, 1995  
Rand Carroll  
2040 S Pacheco  
Sante Fe NM 87505

RE : Spur Oil Inc

Dear Rand :

Spur Oil Inc was notified January 7, 1995 in regards to the attached list of wells. I have issued a number of extensions and had several conversations with Mr. Shelton pertaining to bringing the wells into compliance. To this date there has been no production reported or remedial work performed on the wells. Please docket a case calling Spur Oil Inc and all interested parties to appear and show cause why the listed wells should not be plugged and abandoned in accordance with a Division approved plugging program.

Yours Truly,

Johnny Robinson  
Deputy Oil & Gas Inspector

cc: Well file  
Spur Oil Inc.  
Old Republic Insurance Co

Spur Oil Inc

List of wells :

Samantha # 1	L-26-28N-01E	30-039-23442
Samantha # 2	K-26-28N-01E	30-039-23444
Samantha # 3	N-26-28N-01E	30-039-23446
Gonzales 13,# 1	I-13-31N-01E	30-039-24081
Gonzales 18,# 1	M-18-31N-02E	30-039-23805
Quinlan Ranch #1	H-23-32N-02E	30-039-22135
Quinlan Ranch #2	N-19-31N-03E	30-039-24504

DATE : 5-8-95Page 1 of 1REF DATE: 11-10-93EXHIBIT A  
ALTERNATIVE METHOD

## LOW FLOW WELL LISTING

Operator Code 5646  
Operator Name Little, Curtis J.

METER NO.	WELL NAME	STATE	AREA LOCATION	TEST PERIOD MCF	TEST PERIOD FLOW HOURS	TIME CALC. HOURLY RATE MCF	AGREED VOLUME DAILY RATE MCF	WELL VOLUME CLOSED CONDITIONS
94-266	Salazar #3 PC	NM-31	Chaco	1265	2096.5	0.60	14.40	TC
94-300	Foster #2	NM-31	Chaco	1249	2153.8	0.57	13.68	TC
94-499	Turner #2 PC	NM-31	Chaco	1315	2116.7	0.62	14.88	TC

TC = Time Calculated Volume (Hourly)

AV = Agreed Upon Volume (Daily)

ACCEPTED BY:

Name (Signature)

Name (Type or Print)

Title (Type or Print)

Date

EL PASO NATURAL GAS

Name (Signature)

H. A. Shaffer

Name (Type or Print)

Attorney-in-fact

Vice President Field Services

Title (Type or Print)

21-Jun-95

Date

2-28-95

Talked to Allan Neal  
about C104's on El Paso, Spur,  
Chuzar leases. He is waiting on  
assignments. David Stubblefield  
should have them completed in  
two weeks. ~~Don't want to~~

Chuzar Oper

Petroleum Dev.

16 wells

Spur Oil Inc.

Due March 15

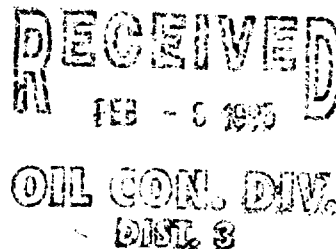


**Old Republic Surety Company**  
**Old Republic Insurance Company**

P.O. Box 1635, Milwaukee, WI 53201  
Phone: (414) 797-2640 / Fax: (414) 797-9495

February 2, 1995

Mr. Johnny Robinson  
Deputy Oil & Gas Inspector  
New Mexico Energy, Minerals  
and Natural Resources Department  
1000 Rio Brazos Road  
Aztec, NM 87410



Re: **Claim No.:** 21346  
**Bond No.:** LSC 659001  
**Principal:** Spur Oil, Inc.  
**Company:** Old Republic Insurance Company  
**Ref:** Samantha #1, L-26-28N-01E, API #30-039-23442 ✓  
Samantha #2, K-26-28N-01E, API #30-039-23444 ✓  
Samantha #3, N-26-28N-01E, API #30-039-23446 ✓  
Gonzales 13, #1, I-13-31N-01E, API #30-039-24081 ✓  
Gonzales 18, #1, M-18-31N-02E, API #30-039-23805  
Quinlan Ranch #1, H-23-32N-02E, API #30-039-22135 —  
Quinlan Ranch #2, N-19-31N-03E, API #30-039-24504 ✓

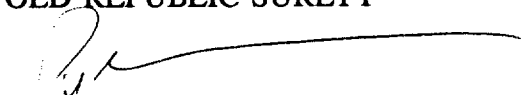
Dear Mr. Robinson:

We have been in contact with Fred Shelton, President of Spur Oil, Inc. He told us that his son, Fred Shelton, III, has been in touch with your department. According to Mr. Shelton, his son believes that discussions with your department have been fruitful and will eventually result in a resolution of the problems pertaining to the wells. We are waiting for more information from Fred Shelton, III and believe that it would be premature to take any action on the bond claim at this time. We are dealing with some very technical matters and will need more time than what you have granted us. Would you please agree to grant us an open extension, provided there continues to be progress on resolving the claim?

Have you had any conversations with Fred Shelton, III? If you disagree with Mr. Shelton's assertion that we are moving towards a resolution of the problems, please explain specifically what is necessary to bring a well into compliance with Rule 203. Thank you.

Very truly yours,

OLD REPUBLIC SURETY

  
Paul S. Guardalabene  
Assistant Vice President, Claims  
414/797-2675 PSG/beh



Mr. Johnny Robinson  
Page 2  
February 2, 1995

cc: Mr. Fred B. Shelton  
Spur Oil, Inc.  
3501 Gillon  
Dallas, TX 75205



445 South Moorland Road, Brookfield, WI 53005  
414/797-2640

Mailing Address:  
P.O. Box 1635, Milwaukee, WI 53201

January 9, 1995

Mr. Johnny Robinson  
Deputy Oil & Gas Inspector  
State of New Mexico Energy, Minerals  
and Natural Resources Department  
1000 Rio Brazos Road  
Aztec, NM 87410

**RECEIVED**  
JAN 12 1995  
**OIL CON. DIV.**  
**DIST. 3**

Re: **Claim No.:** To be determined  
**Bond No.:** LSC 659001  
**Principal:** Spur Oil, Inc.  
**Company:** Old Republic Insurance Company  
**Your Ref:** Samantha #1, L-26-28N-01E, API #30-039-23442  
Samantha #2, K-26-28N-01E, API #30-039-23444  
Samantha #3, N-26-28N-01E, API #30-039-23446  
Gonzales 13 #1, I-13-31N-01E, API #30-039-24081  
Gonzales 18 #1, M-18-31N-02E, API #30-039-23805  
Quinlan Ranch #2, N-19-31N-03E, API #30-039-24504  
Quinlan Ranch #1, H-23-32N-02E, API #30-039-22135

Dear Mr. Robinson:

We have received your letters, all dated December 29, 1994, concerning the above-referenced oil wells. We would appreciate receiving a copy of Rule 203 and proof that these wells are registered to the above-named principal. In the meantime, we will try to contact the principal and get his version of the facts.

Very truly yours,

OLD REPUBLIC SURETY

Paul S. Guardalabene  
Assistant Vice President, Claims

PSG/sab



GARY JOHNSON  
GOVERNOR

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

JENNIFER SALISBURY  
CABINET SECRETARY



1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178

Certified: P-987-892-119

December 29, 1994

Spur Oil Inc  
3107 N Haskell  
Dallas TX 75204

Old Republic Insurance Co  
PO Box 789  
Greenburg PA 15601

RE: Gonzales 13 #1, I-13-31N-01E, API #30-039-24081

Dear Gentlemen:

The referenced well is in violation of Rule 201.

You are hereby directed to plug and abandon this well or bring it into compliance with Rule 203 for temporary abandonment within 30 days.

If you fail to bring this well into compliance we will schedule a show cause hearing to plug this well using the bond.

Sincerely,

Johnny Robinson  
Deputy Oil & Gas Inspector

JR/sh

cc: Rand Carroll  
Old Republic Insurance Co  
Well file



GARY JOHNSON  
GOVERNOR

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

JENNIFER SALISBURY  
CABINET SECRETARY



1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178

Certified: P-987-892-121

December 29, 1994

Spur Oil Inc  
3107 N Haskell  
Dallas TX 75204

Old Republic Insurance Co  
PO Box 789  
Greenburg PA 15601

RE: Gonzales 18 #1, M-18-31N-02E, API #30-039-23805

Dear Gentlemen:

The referenced well is in violation of Rule 201.

You are hereby directed to plug and abandon this well or bring it into compliance with Rule 203 for temporary abandonment within 30 days.

If you fail to bring this well into compliance we will schedule a show cause hearing to plug this well using the bond.

Sincerely,

Johnny Robinson  
Deputy Oil & Gas Inspector

JR/sh

cc: Rand Carroll  
Old Republic Insurance Co  
Well file