CIL CONSERVATION COMMISSION 1000 RID BRAZUS ROAD AZTEC, NEW MEXICO

Pebruary 23, 1961

Harry Leyman c/o Harrell Budd 211 West Main Farmington, New Mexico

Dear Siri

Enclosed are approved copies of the following forms pertaining to your #1 Sinclair-Santa Fe well located 620 feet from the North and 755 feet from the East line of Section 23-19N-6W, McKinley County, New Mexico!

Notice of Intention to Drill, Form G-101 Form C-102, Notice of Intention to Plug Form C-103, Report of Plugging Form C-105, Well Record

As you know, a plugging bond was never approved for this well and therefore the original Notice of Intention to Drill filed by Leyman Corporation was held in this office from October 5, 1960 until this date. A subsequent bond for \$3,000 was submitted in the name of Harry Leyman and as our rules require a \$5,000 bond this bond was also not approved. We learned from conversation with Mr. Harrell Budd that the well had been drilled in violation of the Commission rules. Ar. Budd requested plugging instructions on the well, which were given him from this office. We also mailed to Mr. Budd several copies of our "Affidavit of Responsibility, Conversion to Water Well" form, which he has informed us that he forwarded to you. This form should be completed in triplicate and should be signed by both the operator and the landowner. Until this has been done we cannot release you from responsibility from this well. As the well was drilled without prior approval and without a plugging bond in effect the Commission's only recourse would be a suit against your company for violation of the New Mexico Oil Commission Rules and Regulations. I would, therefore suggest that you take immediate steps to

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supply us with the above mentioned affidavite in order to prevent the necessity of court action/

Yours very truly

Emery C. Arnold
Supervisor, District #3

ECA : ks

oc: Mr. Oliver Payne OCC, Santa Fe, N.M.

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Fours very cruly

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