## New Mexico OIL CONSERVATION COMMISSION

Aztec, New Mexico

September 26, 1958

Pampas Petroleum Company o/o Cronk, Alexander and Associates 1020 Kennedy Building Tulsa 3, Oklahoma

Dear Mr. Alexanders

We have received Form C-104 on a well located in the Ski Section 20-23N-6W previously designated as the S.D. Johnson #1 Chapman. This form indicates that the well has been purchased by Pampas Petroleum Company and that you plan to test the well and attempt completion as a commercial producer. You have also requested a testing allowable of 1500 barrels.

Upon investigation we find that Pampas Petreleum Company has neither a blanket plugging bond in New Mexico or a \$5,000 one-well plugging bond for this particular operation. We will therefore be unable to grant a testing allowable until this bond has been furnished the Oil Conservation Commission, Box 871, Santa Fe, New Mexico. A \$5,000 one-well bond will be sufficient for this well. If you contemplate drilling additional wells it would probably be to your advantage to use the \$10,000 blanket bond under which you could drill any number of additional wells.

We also note that you have not sindicated on either Form C-104 or your letter who the temporary transporter of the 1500 barrels of testing oil is to be. I am enclosing a supply of Form C-110. Please submit this form designating temporary transporter. Form C-110 should be re-filed after the final completion and after permanent arrangements have been made for the sale of the oil.

If we can be of further service, please contact us.

Yours very truly

Emery C. Arnold Supervisor, District #3

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