## New Mexico Oil Conservation Commission AZTEC, NEW MEXICO

January 22, 1953

Mr. Harmon Owen Box 458 Farmington, New Mexico

Dear Mr. Owen:

We have received a copy of a letter dated January 19, 1953 which you wrote to Mr. John J. Moya, Farmington, New Mexico, and also another letter dated January 19, 1953 to the Oil Conservation Commission regarding the Owen Drilling Co. #1 Jones in the SE/4 Sec. 7-30N-11W. It is our understanding from this correspondence that you wish to transfer ownership of this well to Mr. John J. Moya and relieve the Owen Drilling Company from plugging responsibility. We would like to call your attention to Rule 101, Rules & Regulations, Oil Conservation Commission, which reads as follows: "For the purposes of the Commission the bond required is a plugging bond, not a drilling bond and is to endure up to and including approved plugging when the well is dry and abandoned. Even though the well be a producer, transfer of property does not release the bond. In case of transfer of property and the principal desires to be released from the bond he should proceed as follows: (1) The principal on the bond should notify the Commission in writing that the well or wells, describing each well by a 160-acre tract, Section, Township and range, is being or has been transferred to a certain transferee for the purposes of ownership or operation; (2) On the same instrument the transferee should recite that he accepts such transfer and accepts the responsibility of such well or wells under his bond, tendered therewith, or under his blanket bond on file with the Commission. When the Commission has approved the transfer, the transferer is immediately released of plugging responsibility of the well or wells, as the case may be, and if such well or wells includes all the wells within the responsibility of the transferer's bond such bond will be released, upon written notice by the Commission to that effect." Also, a new Form C-101, Notice of Intention to Drill, should be filed with the Commission showing the change in ownership, so that the principal on the C-101 will coincide with the principal on the bond.

The matter of ownership of this well is beyond the jurisdiction of the Oil Conservation Commission, and as the well was originally filed under the Owen Drilling Company's blanket bond, we cannot release the Owen Drilling Comapny from plugging responsibility until the above course of action has been taken. The Oil Conservation Commission cannot be responsible for the actions of Mr. Moya on this lease, as that is a matter outside our jurisdiction.

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On January 6, 1953 we received from Mr. Moya two "Miscellaneous Reports" Form C-103, on which the ownership of the well was indicated as follows: John J. Moya - Juan Moya Pooled Unit, Jones #1. On January 7 we returned these forms to Mr. Moya and called his attention to Rule 101, specifically to those sections covering transfer of ownership. As of this date we have received no reply from Mr. Moya.

Yours very truly,

Emery C. Arnold Oil & Gas Inspector District #3

ECA:ks

cc: Mr. John J. Moya Farmington, N.M.

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