July 20, 1949

ir. F. E. Jackson P. C. Box 147 First Bational Pank Building Lon view, Toxes

Dear In. Jackson:

This is in reply to your letter of July 11th.

I have also before me a letter from V. H. Collins, Sheriff of Curry County at Chovis, New Herico. Sheriff Gollins' letter very completely explains why Deputy Sheriff DeGraftenried authorized the driller to resume operations on the evening of June 9th. We feel therefore, that we have been unfair in our accusations excepting for the fact that you began the well before either a bond was secured on the Form C-101, Totice of Intention to Drill, was approved. Further, we feel that you have been more or less an imposent victim. You understand that we had a very bad experience about a year ago at practically the same site, and we are beginning to wonder if the Vestern Drilling Company, which has been involved in the drilling of several wells in this area should not be checked very carefully.

In the second paragraph of your letter, you lamont the fact that I did not advise you during our first telephone conversation that it was I portant to have all of these papers on file before you comenced operations. I do not remember that telephone conversation exactly, so I will make no further comment. It was rather surprising to learn however, that the "spud hale" reported to be started to save a lease, was 2811 ft. deep when our ir. Yarbrough first discovered it.

This letter is to assure you that so long as our rules and regulations are not, you may operate anythere in the State of New Mexico with complete assurance that your operations will not only be unhindered, but aided in every way which we find possible.

We are sending copies of this letter to everyone concerned and we want everyone concerned to know that you are to proceed according to your our convenience. We want no one, however, to take this letter as authority that we are relaxing our rules, regulations or our vigilance.