

COPY

August 25, 1937.

The Bradley Oil Company,
Brown Building,
Wichita, Kansas:.

Attention: Mr. C. J. Dillon.

- Re: 1. Grizzell #1, SW $\frac{1}{4}$ NE $\frac{1}{4}$, Sec.5,
T.22S,R.37E.
2. Well in Sec.28-25S-37E., &
3. Proposed well in Sec.5-22S-37E.

Gentlemen:

We have your note, pencilled at the bottom of our letter of August 20th, relative to the above designated location.

A \$5,000 surety company bond, with the Standard Surety and Casualty Company of New York as surety, was submitted to cover the first-named well, but has been returned to Karr & Eichenberger, Insurance Agents, Albuquerque, under date of August 19th, to attend to certain corrections. As to the second well upon which you state you are now drilling, no bond whatever has been submitted, and you are advised to attend to this at once, for in drilling this well without proper bond you are violating the law, rules and regulations of the Commission and subjecting yourself to penalties prescribed in Section 22, Chapter 72, Laws of 1935.

As to the third well which you propose to drill, your first move should be to obtain the required bond for \$5,000 with corporate surety, to cover that well.

Since it appears that you are to drill several wells, it would seem more convenient and economical for you to simply submit a \$10,000 blanket bond on Form 39-A, copy of which is enclosed for your use. This bond will cover all wells you may drill upon lands over which the State has jurisdiction.

Please give these matters your prompt attention.

The Commission has jurisdiction over all drilling operations anywhere in the State, not only upon State-owned lands but upon all lands patented by the United States conveying minerals. The State does not require a drilling bond

COPY

August 23, 1937.

The Bradley Oil Company,
Brown Building,
Wichita, Kansas.

Attention: Mr. C. E. Dillon.

Re: I. Grizzell et al, SW NE 1/4, Sec. 5,
T. 33S, R. 37E.
S. Well in Sec. 28-28S-27E, S.
S. Proposed well in Sec. 2-28S-37E.

Gentlemen:

We have your note, cancelled at the bottom of our
letter of August 20th, relative to the above designated
location.

A \$5,000 surety company bond with the standards
surety and Casualty Company of New York as surety, was
submitted to cover the first named well, but has been
returned to Kerr & Riechberger, Insurance Agents, Albuquerque,
under date of August 18th, to attend to certain corrections.
As to the second well upon which you state you are now drilling,
no bond whatever has been submitted, and you are advised to
attend to this at once, for in drilling this well without
proper bond you are violating the law, rules and regulations
of the Commission and subjecting yourself to penalties prescribed
in Section 22, Chapter 28, Laws of 1933.

As to the third well which you propose to drill, your
first move should be to obtain the required bond for \$5,000
with corporate surety, to cover that well.

Since it appears that you are to drill several wells,
it would seem more convenient and economical for you to simply
submit a \$10,000 blanket bond on Form 28-A, copy of which is
enclosed for your use. This bond will cover all wells you may
drill upon lands over which the State has jurisdiction.

Please give these matters your prompt attention.

The Commission has jurisdiction over all drilling
operations anywhere in the State, not only upon state-owned lands
but upon all lands patented by the United States conveying
minerals. The State does not require a drilling bond

COPY

-2-

upon United States government lands inasmuch as the United States Geological Survey covers that field and has its own requirements as to drilling bonds.

Very truly yours,

OIL CONSERVATION COMMISSION

By: *Carl B. [Signature]*
Attorney

CBL:CG
Encs. Bond Form 39-A

cc-N. M. Oil Conservation Commission
Hobbs, N. M.

COPY

-2-

upon United States government lands inasmuch as the
United States Geological Survey covers that field
and has its own equipments as to drilling logs.

Very truly yours,

OIL CONSERVATION COMMISSION

BY: *[Signature]*
Attorney

CH: IHC
New York 22-2

20-2-22
OIL CONSERVATION COMMISSION
Albuquerque, N.M.