

NATIONAL PETROLEUM, INC.

2520 N.W. 39th Expressway
Suite 208
Oklahoma City, Okla. 73112

Mailing Address:
P.O. Box 12543
Oklahoma City, Okla. 73112
(405) 947-0511

June 3, 1974

Oil Conservation Commission
State of New Mexico
Mr. A.L. Porter, Jr.
State Geologist
Sec-Treasure
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: Reeve-Chappel No.1
Sec. 13, T-12-N, R-29-E
San Miguel County, N.M.

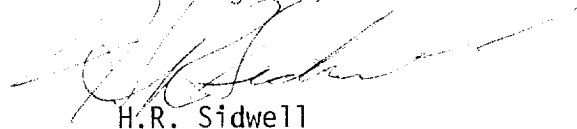
Dear Mr. Porter,

We have requested three times to be released from our plugging bond. Evidently there has been some mistake made. I talked with Mr. Kaptina and he informed me that the pits and location had not been cleaned-up properly. I feel that he is mistaken our location with the Chappel #1 well which is located on the same farm and is not covered under our bond; this well was covered under a bond posted by Zetco Petroleum.

I visited with the ranch forman, Mr. Bob Bond, and he informed me that our location was in good condition immediately after the well was plugged.

Any assistance your office can afford us in regards to this matter will be appreciated. Time is of essence because the bonding company has requested payment of another annual premium.

Best Regards,



H.R. Sidwell

C.C. L.B. Reeve