

November 22, 1947

Office of State Land Commission
Santa Fe, New Mexico.

Attention: Mr. Guy Sheppard.

Gentlemen:

We were advised today by the Continental Oil Co. who have assigned us their State Lease on the South $\frac{1}{4}$ of the NW $\frac{1}{4}$ and the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Sec. 19 Twp 13 S R 32 E, that someone from your office had contacted them, and advised that operations were stopped, and all materials removed from the location which we recently made and started drilling on in the center of Ne $\frac{1}{4}$ of the NW $\frac{1}{4}$ of above mentioned section.

Mr. Leggett of the Midland Office of Continental Oil Co. also advised me today that he had talked with you by telephone on this date, and that you had requested that we give you a report on our operations to date.

I am attaching a copy of a report which I am mailing in triplicate to Mr. Yarbrough in your Hobbs Office, as Mr. Yarbrough asked that we clear all reports through that office for transmittal to Santa Fe. This report should explain why there is no drilling rig on the ground at this time. We could not profitably use the cable tool rig further for the reasons mentioned, and as it was a hired rig for the purpose of drilling the surface hole, we allowed him to move off to other work, and our intentions are to move on our own rotary rig just as soon as the surface casing can be obtained, which we hope will be within the next few days.

It is not our desire or intention of delaying this work and we are anxious to complete the well as quickly as possible, but we have encountered difficulty in obtaining our pipe to a greater degree than we anticipated, and the nature of the formation which is drilled on the surface there makes it imperative that casing be run as soon as the hole is drilled.

We were officially advised today that our drilling Bond had been approved, and we hope to be able to report very soon that the work is progressing to everyone's satisfaction.

Very truly

H. L. Wilson Drilling Co.



R/t

enc. 1.

Copy Mr. Yarbrough- Hobbs, N.M.