June 9, 1955

General Crude Oil Company 314 Commerce Building Abilens, Texas

Attention: Mr. F. A. Hunter

Re: La Mance Drilling Company Simpson No. 1 Sec. 21, Twp. 10N, R. 23E Guadalupe County, New Mexico

Dear Mr. Hunter:

With reference to our telephone conversations of June 7 and June 9, 1955, regarding the above captioned well, I have checked our files and find that the original Notice of Intention to Drill projected the well to the Pennsylvanian expected at from 3500-5500 feet.

La Mance Drilling Company has been very negligent in filing the various notices and reports for this well. The following forms are delinquent and must be filed and approved before the transfer of the well to General Crude Oil Company can be approved:

Form C-103-Report on Degining Drilling Operations
Form C-103-Report on Result of Test of Casing Shut-off
Surface Pipe.

Form C-102-Notice of Intention to Set Intermediate Casing (If such has been done)

Form C-103-Report on Result of Test of Casing Shut-off (If intermediate pipe was set)

Form C-102-Notice of Intention to Change Plans (should have been filed when well went beyond 55001)

Form C-102-Notice of Intention to Temporarily Abandon Well
(Rule 202, requires that "when drilling operations have been suspended for 60 days, the well shall be plugged and abandoned unless a permit for temporary abandonment shall be obtained from the Commission". We are willing to waive the requirement of this rule if General Crude Oil plans to resume operations on this well within the next 30 days.

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By carbon copy of this letter we are advising in Mance Drilling Company of the necessity to file these notices and reports for approval before transfer of the well and release of the bond can be approved.

Insofar as General Crude Oil Company is concerned, your blanket bond will cover operations on this well. The attention of General Crude Oil and La Mance Drilling Company is directed to Commission Rule 101, Plugging Bond, particularly paragraphs (b), (c), and (d).

Before commencing operations General Crude Oil Company should file Form C-103 advising the Commission of change of ownership of the well. Form C-102 should also be submitted, detailing future plans for the well, i.e., plans to plug back, set casing, etc.

It is hoped that prompt attention will be given this matter. As stated before, no transfer of the well can be approved until compliance has been made, and the well is in jeopardy of being ordered Shut-down for failure to comply.

Very truly yours

DANIEL . SUTTOR Petroleum Engineer

cc La Mance Drilling Company c/o Mr. Mark Whelan 3805 Mackland Ave. HE Albuquerque, New Mexico

> La Mance Drilling Company Hereford, Texas

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