

NATIONAL PETROLEUM, INC.

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Oil Conservation Commission
State of New Mexico
P.O. Box 2088 - Santa Fe

RE: Reeve-Chappel Well No. 1, Unit M
Section 18, Township 12 North
Range 30 East, San Miguel County
New Mexico.

Dear Mr. Ulvog:

I received your letter dated February 26, 1975. In regards to the above stated well. Naturally we are interested in having this matter consummated as soon as possible and being released from our plugging bond. We have paid Mr. Bond to see that we were in full compliance with your plugging regulations. As you know Mr. Bond was the ranch foreman of the Chappel-Spade Ranch.

I talked with him after we had paid him in regards to this matter, and he said that the job has been completed. However, now I understand that Mr. Bond is no longer with the Chappel-Spade Ranch. I worked with the gentleman quite sometime during the drilling of this well and I am confident that if he says that the work is done, it has been done. Possibly you can verify the information I am relating to you by contacting whoever is the Ranch Foreman as of date, concerning this well.

I trust you can obtain information which will satisfy you that we have complied with all of your requirements in regards to having this well plugged. I can appreciate your situation entirely in this matter, and I am sure you can understand that we would like to be released from this bond. We have done everything we know to do to see that we are in full compliance with your regulations. If I can be of any other service to you in regards to this matter please let me know.

Sincerely,

H R Sidwell