OIL CONSERVATION COMMISSION

P. O. BOX 871

1. Lesul

SANTA FE, NEW MEXICO

January 4, 1960

General Insurance Company of America 207 Dartmouth Drive N.E. Albuquerque, New Mexico

Attention: Mr. R. A. Tearnan

In re:

File No. 30-900800; Bond No. 329016; \$5000 one well plugging bond for Willard L. Cacy (Cacy Well No. 1-A, Unit H, Section 23, Township 6 North, Range 5 East, Torrance County, New Mexico)

Gentlemen:

Reference is made to your letter of December 24, 1959, concerning the above captioned bond.

Mr. Cacy abandoned the subject well in 1956 without getting approval of the Oil Conservation Commission to temporarily abandon it and without doing the work that is required when a well is temporarily abandoned.

Inasmuch as the well has been inactive since 1956, it must now be permanently plugged in accordance with Commission Rules and Regulations. It is quite obvious that Mr. Cacy does not intend to do this work of his own volition. Consequently, we now make a firm and formal demand that your Company, as surety on the bond for the subject well, arrange to have the well properly plugged no later than May 15, 1960.

Since the principal has failed to file the required forms on the subject well, the only acceptable plugging program is to fill the hole with cement from bottom to top.

Very truly yours,

CC: Mr. W. L. Cacy OLIVER E. PAYNE % E. G. Barrett Special Assistant Attorney General R.F.D. %2, Atascasa, Texas

Mr. J. L. Kapteina P.C. Box 871 Santa Fe, New Mexico