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BONDING



INSURANCE

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DENVER CLAIM OFFICE
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TELEPHONE
MAIN 3-1245

December 29, 1958

DEC 31 1958

Rutledge Drilling Company
141 East DeVargas Street
Santa Fe, New Mexico

Gentlemen:

Your name has been furnished to us by the Frank O. Papen Company of Santa Fe, New Mexico in regard to a problem which we are currently facing. Our company has executed a bond on behalf of Homer W. Schutten and Evelyn Jo Dyer, doing business as Jedco Oil Company of Roy, New Mexico. These people commenced a drilling operation on a well located in Harding County, New Mexico on the NW 1/4 of the NE 1/4 of Section 27, Township 20 North, Range 26 East. I am advised that this location is approximately half way between Las Vegas and Raton, New Mexico.

Our principals have now evidently abandoned this well and we have received demand from the New Mexico Oil Conservation Commission to properly plug the well. According to the Commission we are required to fill out Commission form number C-102 setting forth our proposed method of plugging the well. The Commission must then approve our plugging program after which time we are expected to proceed to accomplish the work. We are wondering if you would be in a position to either inspect the well in question and give us an estimate of the cost of plugging the well to meet the minimum requirements of the Commission or, if unable to do that, could you furnish us with the name of any drilling company in that general area who might be able to give us an estimate on the job.

We would appreciate an early reply from you since we are being pressed somewhat by the Oil Conservation Commission. In the event

TO Rutledge Drilling Company

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that you choose to give us an estimate on the well could you also submit one of the Commission's form C-102 along with your estimate in order that I might submit that form to the Commission for their approval. It also occurs to me that you might be in a much better position to have the form C-102 approved since most of the correspondence from the Commission has come from Mr. Daniel S. Nutter, the District Engineer located in Santa Fe, New Mexico.

We will await your reply.

Yours very truly,

Martin J. Andrew

MARTIN J. ANDREW

MJA/dg

File for