

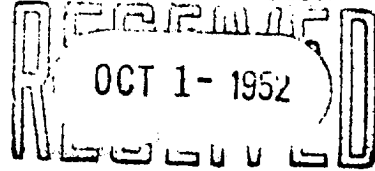
LAW OFFICES
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September 29

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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.



AIRMAIL

Mr. Eugene A. Chavez
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Chavez: Re: Harry C. Long Dalies No. 1 (formerly Sunol No. 1)
SE/4 SE/4 Section 32, Township 7 North, Range 1
East, Valencia County

Harry C. Long has referred your letter of August 28, 1952 to me for reply.

On May 19, 1952, Mr. Long and I entered into a written agreement with Sunol Oil Company, Gladys E. McCormick, Thomas W. Bailes and Elizabeth Y. Sketchley. Under the terms of this agreement, it was understood that all parties would cooperate with each other to the extent that the respective bonds with your Commission would be released or, in the event any person took over the well other than Mr. Long and myself, they would comply with the rules and regulations of your Commission with respect to the leveling and restoration of the property to its former condition.

It was our understanding then and now is that Miss McCormick is or has made a deal with other parties to take over this well to deepen the same some 2,000 or more feet. Because of our personal tax problems, we have been unable to reassign all of the leases to Sunol Oil Co. and/or Gladys E. McCormick up to the present time, and will not be able to do so before October 12, 1952.

We offered immediately upon the execution of the agreement of May 19, 1952 to execute a reassignment of the drill site to Sunol Oil Company, providing they handed us a good and sufficient Bill of Sale to the 6,200 feet of seven inch casing located on the drill site. To date, we have not received the Bill of Sale and have, therefore, not handed Miss McCormick the reassignment to the drill site. Shortly after October 12, 1952, we will be able to complete the transaction, providing Sunol Oil Company and Gladys E. McCormick hand us the necessary instruments provided for in the agreement of May 19, 1952.

It is our understanding that the leveling and restoration of the property is to be handled by Sunol Oil Company and/or Gladys E. McCormick at their sole cost and expense. We did not level and restore the premises, as Mr. Davis indicated to you we would, solely for the reason that Miss McCormick informed us she wanted to take the property over to deepen the well.

I am transmitting a copy of this letter to Sunol Oil Company and Gladys E. McCormick for whatever comments they may have thereon. If and when we hand