OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE NEW MEXICO 87501

November 4, 1974

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Faubion & Rigsby Insurance 1114 13th Street Lubbock, Texas 79401 Attention: Preston D. Rigsby

O. C. C. ARTESIA, OFFICE

Re: Bond for Well Plugging & Indemnity - B00703481 W. E. Medlock

Dear Mr. Rigsby:

Your letter of October 24, 1974, concerning release of the above-captioned bond has been referred to me for reply.

The New Mexico Oil Conservation Commission has encountered certain problems with Mr. Medlock and has decided that it must set a show cause hearing to allow Mr. Medlock, that it must set a show cause hearing to allow Mr. Medlock, the surety and all other interested parties to appear and show cause why certain of Mr. Medlock's wells should not be plugged and abandoned in accordance with a Commission approved plugging program. The Commission, therefore, can release this bond only as to properties acquired after the effective date of such release.

If you desire this limited release you merely need to file a written request with Mr. Waldo Alarid, the Commission's finance officer in Santa Fe.

Mr. Medlock, of course, will be unable to engage in further oil and gas activity in New Mexico until he obtains another bond.

If you have any questions, feel free to call on me.

Very truly yours,

WILLIAM F. CARR General Counsel

WFC/dr cc: Waldo Alarid Bill Gressett W. E. Medlock