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APR 26 1971

C. C.
ARTESIA, OFFICE

April 23, 1971

**Jennings, Christy and Copple
P. O. Box 1180
Roswell, New Mexico 88201**

Attention Mr. Roger Copple

**RE: CLAIM #: H1308 181,489
PRINCIPAL: S. B. JONES, DBA FRANCISCAN CORPORATION
YOUR CLIENT: DR. BLAUW**

Hello Roger:

To answer your letter of March 24th, I have made arrangements for a copy of the executed bond to be forwarded to you.

As to other points raised by your letter.

- 1. Your notice of termination is acknowledged.**
- 2. We have not been able to locate Mr. Jones, consequently no demand has been made.**
- 3. No, not according to the specifications of the Oil Conservation Commission (O.C.C.).**
- 4. The Company will meet the terms of its bond if necessary. Hobbs Pipe and Supply has estimated a cost of \$7,600. Copy attached.**
- 5. The Company would be agreeable to the assumption of this obligation by Dr. & Mrs. Blauw.**
- 6. Yes, where the obligee has been satisfied.**

Hobbs Pipe & Supply's estimate purports to tell the requirements of the O.C.C. in this matter.

Please advise us as to whether Dr. Blauw wishes to make arrangements for the plugging or to indemnify us.

Regards,

**Tom Mains,
Claims Supervisor**

**TM:lm
Att**

cc: New Mexico Oil Conservation Commission, Artesia, New Mexico

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JAMES T. JENNINGS
SIM B. CHRISTY IV
ROGER L. COPPLE
BRIAN W. COPPLE

LAW OFFICES OF
JENNINGS, CHRISTY & COPPLE
1012 SECURITY NATIONAL BANK BUILDING
P. O. BOX 1180
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-8432
AREA CODE 505

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March 24, 1971

MAR 26 1971

C. C.
TAG OFFICE

Ronald L. Spears
Bond Department
Fireman's Fund American Insurance Companies
817 Seventeenth Street
Denver, Colorado 80202

RE: S. L. JONES, d/b/a FRANCISCA
CORPORATION--BLANKET PLUGGING
AND INDEMNITY BOND

Dear Mr. Spears:

Thank you for furnishing us with a xerox copy of Bond No. SLR 6171437 dated August 14, 1968. The second page of the copy which you furnished us does not reflect that the Bond was actually executed by the principal, the surety, or approved by the New Mexico Oil Conservation Commission. If the Bond was actually fully executed, we would appreciate it if you would furnish us with a copy of the page which reflects the execution by the principal and surety.

In connection with the General Indemnity Agreement which Dr. and Mrs. Blauw executed and the NMOCC order requiring plugging of the Beeman #1 Well, there are several matters which need clarification or further action; and they are:

1. In accordance with the provisions of paragraph 19 of the General Indemnity Agreement, Dr. and Mrs. Blauw hereby give notice of termination of their agreement to indemnify the bonding company.
2. Has the bonding company located Mr. Jones and made demand upon him to plug the well?
3. Has the well been plugged by Mr. Jones?
4. If the well has not been plugged by Mr. Jones, does the bonding company plan to have it plugged? If so, when, by whom, and at what cost?

JENNINGS, CHRISTY & COPPLE

Ronald Spears
March 24, 1971
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5. Does the bonding company wish Dr. and Mrs. Blauw to try to make arrangements for the plugging? We might mention at this point that the Blauws are and never were partners of either Mr. Jones or Francisca Corporation.

6. If the Blauws arrange for the plugging or reimburse the bonding company for the cost of plugging, will the company assign its rights under the General Indemnity Agreement to the Blauws and give them the original copy of the Agreement in order that they may pursue their rights against Mr. Jones and Francisca Corporation?

It is our desire to have this matter resolved as soon as possible with the least expense to all parties concerned. Accordingly, we would appreciate your prompt attention and response in connection with the matters mentioned above.

Sincerely yours,

JENNINGS, CHRISTY & COPPLE


Roger L. Copple

RLC/le

cc: A. S. Blauw
809 West Alameda
Roswell, New Mexico 88201