NEW MEXICO OIL CONSERVATION COMMISSION AZTEC, NEW MEXICO

April 17, 1956

Walker Dome Oil Company 5840 Gavilan Drive N.W. Albuquerque, New Mexico

Att: Mr. D. M. Ferebee

Dear Sir:

On February 21, 1956 we wrote you regarding our requirements concerning the transfer of the oil properties of A.P. Busard, G.L. Gibbons and Elmer L. White in McKinley County to the Walker Dome Oil Company. Since that time we have received forms filed on the #3 Santa Fe well indicating ownership transfer on this well, which I believe is the only producing well involved at the present time. However in our previous letter we stated that it would be necessary that Walker Dome Oil Company post either individual \$5000 one-well bonds or a \$10,000 blanket bond with the Oil Conservation Commission before the ownership transfer could be approved. We also notified you on February 21 that we could not approve a Notice of Intention to Drill on the Walker Dome Oil Company #6 Santa Fe in the SEt Section 11-15N-10W until this well had been properly bonded or covered by a blanket bond. We are therefore holding all forms that you have filed on the #3 Santa Fe showing transfer of ownership and also all forms you have filed on the #6 Santa Fe.

I would like to point out that you have drilled the #6 well without proper authority and in violation of Rule 101 of the Rules and Regulations of the Oil Conservation Commission. This rule is found on page 10 of the Revised Rules and Regulations, a copy of which we are enclosing herewith. In view of the above facts you are hereby notified that all operations on your McKinley County leases should immediately cease until further notification from this office. I would also like to remind you that Form C-110, Authorisation to Transport, has not been approved on the #3 Santa Fe well and therefore no oil can be legally sold from this well until such time as Form C-110 has been approved.

Yours very truly

Emery C. Arnold Supervisor, District #3

ECA:ks

cc: Mr. A.L. Porter, OCC, Santa Fe, N.M.

NEW MEXICO OUL CONSERVATION COMMISSION AZTEC NEW MEXICO

April 17, 1956

Malker home Oll Campary 5% Carillan brive E.W. Albaquer que, Car Morico

atti Mr. I. Perebee

PAR BILL

To Pobriary 21, 1956 we wrote you regarding our requirements concerning the unareset of the oil properties of 4.P. Eurard, C.L. Cibbons and Miner L. Minte in Kellinley Country to the Walker Dome Oil Company. Since that this we have received forms filled on the #3 Santa Pe well indicating venerably transfer on this well, which I believe is the only producing will involved at the present time. However in our previous better to stated that it would be necessary that Walker Dome Oil Corpany post citner incividual \$5000 one-well bonds or a \$10,000 blanket bond with one oil Conservation Commission before the ownership transfer country a source of Intention to Orill on the Walker Dome Oil Company operate a test of Intention to Orill on the Walker Dome Oil Company properly bonded or toward to Dishi this well had been properly bonded or covered by a blanket bond. We are therefore helding properly bonded or covered by a blanket bond. We are therefore helding and also all forms best you have filed on the #3 Santa Te showing transfer of overership and also all forms you have filed on the #5 Santa Te.

I would like to point out that you have drilled the #6 well without proper satherity and in violation of Rule 101 of the Rules and Regulations of the fill Conservation Commission. This rule is found on page 10 of the Asvised Rules and Regulations, a copy of which we are enclosing herewith. In view of the above facts you are hereby notified that all operations of your McKinley County leases should incediately cease until further notification from this office. I would also like to remind you that Form C-110, Authoritation to Trunsport, has not been approved on the #3 Sunta Re well and therefore no oil can be legally sold from thin well until such time as Form C-110 has been approved.

Yours very trally

Smery C. Arnold Supervisor, District B

- A. A.D.

ons Fr. Asia, Parter, COC, Seats Fe, Wall