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State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

1000 RIO BRAZOS ROAD
AZTEC

January 9, 1969

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Mr. Darol K. Ramey
North American Resources Corporation
811 San Jacinto Building
Houston, Texas 77002

well file

Dear Mr. Ramey:

We have received New Mexico Oil Conservation Commission Form C-104 which was filed for the purpose of changing the ownership of the #1 Martin well, located 1470 feet from the north line and 1180 feet from the east line of Section 24, Township 29 North, Range 11 West, San Juan County, New Mexico. This well has previously been operated by Texota Oil Company as you have indicated.

New Mexico rules require that all unplugged wells be covered by a plugging bond. This may either be a \$5000 one well bond for each well or a \$10,000 blanket bond for an indefinite number of wells. Texota Oil Company presently has on file a \$5000 one well bond for this well.

We do not find that North American Resources Corporation has on file either a one well bond or a blanket bond as required. I am enclosing both types of bond forms so that you may furnish the Commission whichever type bond you prefer. Please have the bonding company mail the bond to Mr. I. R. Trujillo, New Mexico Oil Conservation Commission, P. O. Box 2088, Santa Fe, New Mexico 87501.

I am also mailing you a book on New Mexico Oil Conservation Commission Rules and Regulations and a supply of Form C-115, Operator's Montly Report, so that you may file the production monthly as required by our rules. One copy of this form should come to this office, one copy to the Santa Fe office and one copy to the gas transporter.

If you have questions concerning any other procedures, please contact us. Upon receipt of your bond approval, we will approve Form C-104 transferring ownership.

Yours very truly,
Emery C. Arnold
Emery C. Arnold
Supervisor, District #3

ECA:mc
cc: Oil Conservation Commission, Santa Fe, New Mexico
Texota Oil Company