



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

September 18, 1978

RECEIVED

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POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

O. C. C.
ARTESIA, OFFICE

Mr. James E. Kirk
Attorney at Law
2607 Wyoming Blvd., N.E.
Albuquerque, New Mexico 87112

Re: \$5,000 One-Well Plugging Bond
Charles M. Goad, Principal
United States Fidelity and
Guaranty Company, Surety
Bond No. 7556
File Ref.: 01-0130-217-72

Dear Mr. Kirk:

I appreciate the fact that Mr. Goad is prepared to submit an affidavit concerning the plugging of the State Well No. 1, and regret the inconvenience caused him by our request for the performance of remedial work. However, after re-examining the problem, the Division remains of the position that the work should be done. I must point out in this regard that the location still has not been cleaned up, nor a final plugging report filed by Mr. Goad.

We have therefore issued invitations to bid on this project, and will award a contract on October 6 to the lowest bidder. The contractor is instructed to remove the surface plug and tag the next plug, which should be at 150 feet. If the latter plug was properly set, the contractor will replace the surface plug and marker, and clean up the location. In this way, no work which has already been done will have to be redone, if it was done properly.

If you have any questions, I will be happy to assist you in any way I can.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/dr

cc: Bill Gressett
James Lyons