

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

October 7, 1946

Messrs

R. K. Moreland
P. O. Box 974
San Angelo, Texas

C. W. Colgrove
1507 N. Wilcox
Los Angeles, California

Re: Empire Oil and Gas Corporation

Gentlemen:

In reply to Mr. Moreland's inquiry of October 1, a single copy of Notice of Intention to Drill upon Form C-101, constituting the application to drill upon state land, was forwarded from this Commission's Field Office at Hobbs, New Mexico, to the Santa Fe Office. Said C-101 is not properly made out and when properly made out it should be submitted in triplicate. Said form is being returned to C. W. Colgrove, 1507 N. Wilcox, Los Angeles, California, accompanied by a carbon copy of this letter.

Mr. Colgrove is also being forwarded Circular 6 of this Commission, which on page 4 shows an outline of steps to be taken in connection with the drilling of a well from the beginning to its ultimate plugging. You will observe that a plugging bond with corporate surety is required. The bond should be written in the sum of \$5000 since it is indicated that the well is to be 1800 feet deep. Bond Form 39-B1 is being sent to Mr. Colgrove.

As to the making out of the C-101, in the blank space near the top over the words "company or operator" should be inserted the name of the operator. That should be exactly the same as the principal of the plugging bond. Over the word "lease" near the top should be inserted state, and the name of the lessee. Therefore, if you are to be the operator, you should supply the bond and should sign the C-101 at the bottom instead of Empire Oil and Gas Corporation. If that corporation is to be the operator, likewise it should supply the bond.

OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

Moreland

-2-

10-7-46

C
O
P
Y

At the top you state SE $\frac{1}{4}$. The drilling unit is the 40 acre tract as described by U. S. Public Land Surveys. The SE $\frac{1}{4}$ would embrace four 40-acre tracts. Indicate which 40-acre tract upon which the well is to be located. All these matters are in Circular 6 mentioned and should be examined carefully. A new set of C-101 is enclosed.

Before a permit to drill can be obtained the bond must be submitted and accepted and the application on C-101 must be correct. Do not proceed to drill without a permit, for the law, rules and regulations of the Commission are stringent.

Very truly yours,

Carl B. Livingston
Chief Clerk & Legal Adviser

CRL:MSH

cc Roy Yarbrough
C. W. Colgrove
1507 N. Wilcox
Los Angeles, California.