tern Drilling Company, Inc.

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LUBBOCK, TEXAS MAY 11 MI 8:09

May 10, 1956

OFFICE PHONE PO 2-0181 COA

New Mexico Oil Conservation Commission Box 2045 Hobbs, New Mexico

Attention: Mr. R. F. Montgomery, Geologist

Re: CASH RAMEY #1. Section 13-3N-32E Curry County, New Mexico

Dear Sir:

We are in receipt of your letter dated May 8, 1956, requesting additional information with respect to the above mentioned well.

On April 22, 1956, upon reaching depth of 3670 feet, drilling operations with Rotary rig were suspended at the owner's request, for the purpose of removing such rig and returning with Cable Tool rig, running pipe and seeking completion of the well, including all necessary and appropriate cleaning out and remedial work incident to such completion. It was our understanding that operations of this character on a new well would not require the filing of additional Forms C-102 and approval. Upon completion of this work it was our intention to report results on Form C-103 as required under Rule 1105. Also, it was our understanding that, in the event the drilling operations were suspended for as much as sixty days, we would be required to either secure a permit for temporary abandonment or to plug the well as required by Rule 202.

We had planned to return to this well for the purpose of running pipe and attempting completion with another rig before now, but the delay has been occasioned by recent negotiations for transfer of ownership and operation of this lease and well. This matter should be determined within the next ten days. In the event such transfer of ownership and operation is effected, the trasnferee and new operator shall accept responsibility of the well and for plugging the same and shall tender to the Commission proper bond for such purpose. Also, in the event of such transfer and change in operation, we shall give written notice to the Commission and make application for release of plugging responsibility as provided in Rule 101. In the event such transfer