

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



SANTA FE, NEW MEXICO
July 15th, 1936.

Mr. F. J. Vesely,
State Oil and Gas Inspector,
Carlsbad, New Mexico.

Dear Pete:

This will acknowledge receipt of your letter of July 7th with reference to the National Securities Well No. 1 in Sec. 33, T. 18 S., R. 37 E.

The bond for this well has been one of the most ornery and unsatisfactory matters we have had to contend with. Briefly the situation is as follows:

The National Securities Company filed a bond which was satisfactory to the State Geologist. Later, Talbott & Mullineaux took this property over and also filed a bond, but the bond filed by Talbott & Mullineaux was not satisfactory in every respect. At the present time, we have two bonds on file for this well, and the National Securities Company have been requesting that we cancel their bond. We have refused to cancel their bond until we have a satisfactory bond from Talbott & Mullineaux or someone who is responsible for this well.

I am recommending that we attempt to handle this matter as follows: In view of the changed bond requirements of the Commission, we may be able to obtain a bond for this well in line with the requirements of the Oil Conservation law and rule 39 of the Commission. This should be a surety company bond in the amount of \$5000.00. Forms that may be used in the preparation of the bond are enclosed.

I am recommending that when Mr. Talbott returns, you arrange a conference of yourself, him and Mr. Liman and go thoroughly into the matter. I believe we will be justified in denying permission for any further work to be done at the well until the bond matter is finally settled.

Very truly yours,

OIL CONSERVATION COMMISSION

By

E. H. Wells
State Geologist

LNW/K