OIL CONSERVATION COMMISSION

HOBBS, NEW MEXICO 88240

March 8, 1974

U. S. Fidelity & Guaranty Co. 2201 San Pedro Drive NE San Pedro Park Suite 102 Albuquerque, New Mexico

Gentlemen:

In 1970 the Marlo Drilling Company plugged and abandoned their Mobil State No. 1 located in Unit P of Section 6, T-18-S, R-34-E. The well does appear to be satisfactorily plugged. However, the location has not been cleaned and levelled to meet our requirements for approving the final plugging and abandoning of this well. There are at present two pits on the lease that need to be filled and levelled, and junk, including fences, which must be removed from the lease.

We have been informed that Marlo Drilling Company declared bankruptcy some time ago, and this office has not been able to contact any representative of this company. Will you, as surety, see that this location is properly cleaned and levelled? If necessary, the Oil Commission will conduct a hearing to show cause why you or Marlo Drilling Company should not properly plug and abandon the well.

Yours very truly,

OIL CONSERVATION COMMISSION

Joe D. Ramey Supervisor, District 1

JDR/mc

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