Socorro, New Mexico May 14, 1935

Superior Oil Company 3101 Gulf Building Houston, Tex.

Gentlemen:

Attention: Mr. W. B. Wagner Attorney at Law

Your letter of May 10 was forwarded to me from Santa Fe and has just come to my attention.

The bond presented meets our requirements insofar as form is concerned, but there are certain difficulties in the way of its approval. The Fidelity and Deposit Company of Maryland does not have a deposit up with the insurance department of the State Corporation Commission of New Mexico. Furthermore, any surety company bond should be countersigned by a pesident agent. This is provided for in Section 71-168-1929 Stats. Ann., as follows:

"No company licensed to transact an Insurance business in the State of New Mexico shall issue any contract of insurance or indemnity assuming ligoflity on any risk or hazzard in the State of New Mexico unless said contract is written, signed and delivered and the premium collected by and the full commission obtained thereon by one of its duly appointed agents/licensed in the State of New Mexico."

If the Fidelity and Deposit Company of Maryland will fulfill their State obligations, the bond can be approved, but not with this is done. Under the circumstances, you may wish to have a similar bond written by some other company.

With the understanding that you will proceed as rapidly as possible in submitting an acceptable bond, you are given permission to go ahead with operations at your State well #1A in sec. 2, T. 20 S., R. 36 E.

Form SG101 and all other forms of the State Geologist should be submitted to Ar. F. J. Vesely, State Oil and Gas Inspector, Carlsbad, A. Mex., for approval. Mr. Vesely will Courre, Sociale Alexico. Nev 1935

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act on Rorm SG101 as soon as he receives word that the bond in question is approved. We are forwarding the "Notice of Intention to Drill New Wells" to him for attention.

Complying with your request, we are wiring you today as follows:

BOND SUBMITTED NOT SATISFACTORY FOR REASONS STARED IN MY LETTER THIS DATE STOP YOU ARE GIVEN PERMISSION TO BEGIN WORK WITH UNDERSTANDING THAT BOND MATTER WILL HE HANDLED TO OUR SATISFACTION AT EARLIEST POSSIBLE TIME

Very truly yours, State Geologist EHW:H cc - Mr. F. J. Vesely, Carlsbad, N. M. cc - Santa Fe office

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Vary truly yours,

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cc - Mr. F. J. Vesely, Carlsbad, N. M. V.