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May 21, 1964

H. R. Qualls & Associates  
600 Cedar Street  
Kimball, Nebraska 69145

Gentlemen:

On recent production reports submitted by Mr. Abramson for the Kirk A and Kirk-Lynch leases in the Mount Hope-North field, it was noted that you became operator in January 1964.

Since this is apparently your first operation in Colorado, it is easy to understand how the violations of our rules and regulations came about. These violations include (1) Rule 302, which pertains to OGCC Form-1, "Designation of Agent", which is to be filed with our Commission prior to commencement of operations of any producer or operator, as well as other individuals; (2) Rule 304, which concerns OGCC Form-3, bond requirements, and provides that a \$2500 bond shall be posted on each well prior to commencement of operations on patented land. This, of course, would require that a bond be posted on the #1-A J. F. Kirk well, C W  $\frac{1}{4}$  SW  $\frac{1}{4}$  SW  $\frac{1}{4}$ ; the #2-A Kirk, C W  $\frac{1}{4}$  NW  $\frac{1}{4}$  SW  $\frac{1}{4}$ , and the #1 Kirk-Lynch, SW  $\frac{1}{4}$  SW  $\frac{1}{4}$  NW  $\frac{1}{4}$ , all in Section 17, Township 9 North, Range 53 West; and (3) Rule 311, which pertains to OGCC Form-10, "Certificate of Clearance", which provides, among other things, that whenever there shall occur a change in the producer or operator, a new Form 10 shall be executed and filed in accordance with instructions appearing on such form, as soon as practicable; (4) and, of course, the production reports filed by Mr. Abramson for the months of January, February, and March were all filed in violation, since Rule 303 provides that they be filed on or before the 25th day of each month succeeding the month in which the production occurs.

I have enclosed sufficient forms to take care of your present needs; however, if there are any questions regarding the above, please feel free to

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contact us.

I shall be expecting to hear from you in the very near future.

Very truly yours,

OIL AND GAS CONSERVATION COMMISSION

William R. Smith, Deputy Director

WRS:cm  
Enclosures  
cc:

Mr. John Abramson  
Box 113, Kimball, Nebraska

Shell Oil Company  
Attn: Gas Purchases Division, Mr. Ron Graham  
1700 Broadway, Denver, Colorado

The Permian Corporation  
1700 Broadway, Denver, Colorado