

Originally Processed With FOIA(s):

S

FOIA Number:

S

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

Record Group/Collection: Donated Historical Materials
Collection/Office of Origin: Bush, George H. W., Collection
Series: Personal Papers
Subseries: Zapata Oil File, Business Correspondence File

OA/ID Number: 25850
Folder ID Number: 25850-009

Folder Title:
Inter-Office Correspondence - Wayne Dean (1959-1960)

Stack:	Row:	Section:	Shelf:	Position:
G	5	1	3	5

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: G.H.W. Bush
FROM: Wayne H. Dean

DATE: August 27, 1960
SUBJECT: Permargo Charter Agreement

The Permargo Company was formed and Charter Agreement signed August 26, 1960. The Charter number is 26867.

cc: Nolan Stewart
Ian Figart
J. A. Rudolph
Frank Allen

W. H. Dean

July 29, 1960

G. H. W. Bush

The following matters may need attention:

Block 86 Operations. Drew Cornell and Paul Montgomery are finalizing a contract proposal to make to us and to Tennessee. It now appears that Pure Oil Co. wants in the deal with us and we have asked Drew to talk to Pure. Everyone seems to feel that this is a better deal than Union Oil's deal and I would like to get this finalized as soon as Drew can work out a deal. Figart has all the dope on this and he and Frank Allen have the figures in the event you want to go over them.

Paria Operations, Inc. I wrote you a note on this but the summary is that the committee lawyers are meeting in New York on Tuesday afternoon and they are supposed to contact me at the office or in Maine regarding the outcome of the meeting. If a meeting is warranted I will hustle down to New York from Maine. I am carrying the necessary papers with me and I have arranged with Kerr for him to come up if legal aid is required.

Captain Noble. We are supposed to notify Captain Noble of a definite time for his arriving at Coatzacoalcas. He wanted to be there around the 3rd of August and I told him that that would be all right but that he had better check with you thinking that you would be back this week-end.

Brown & Root Barge MM151. I wrote a memo to Nolan on this asking that he, Foster Parker and Lindsay get together. I am anxious to have them have this meeting, without which I think B&R could very easily slip us a law suit.

Block 104. Little has all the dope on this and it is strictly a question of getting one of the prospects to give us a rig. I wrote Jesse Chambers and thanked him on our behalf for volunteering the Calco rig. Caliga called today (see attached letter to Little). They have made aus a much better deal now and provided we can get a rig we should be in good shape.

KTO Disput. Saunders has set back the meeting, if it is required, until mid-September.

PAGE TWO

Money. You told me yesterday that Pauley sent us our August 1st. check. If this has not arrived we should follow up on it in the usual manner--Rudolph's teletypes, etc. The \$35,000 approx. disputed amount should be forthcoming also. Jerry will check on Tennessee Gas before he goes on his vacation. If Trinidad's June money has not been received by the time Nolan gets back we should check on this.

GHWB/vf
Att.

W. H. Dean

July 28, 1960

G. H. W. Bush

Paria Settlement

Talked to attorney Woodruff, Ohio Oil - Findley, Ohio,
today. The attorneys meeting is in New York for
Tuesday August 2nd. They will contact me in Maine
or at Houston on the outcome.

CHW/vf

cc: Nolan Stewart

ZAPATA OFF-SHORE COMPANY

INTER-OFFICE CORRESPONDENCE

TO: W. H. Dean, Ian Figart
FROM: G.H.W. Bush

DATE: July 29, 1960
SUBJECT: Block 86

Should the Block 86 operation matter be resolved while I am on vacation, I would appreciate your calling Felmont to get their approval. A simple letter agreement to all the partners following the Felmont approval will be sufficient.

I know they will all want to go along with whatever we recommend.

GHWB/dw

W. H. Dean

July 27, 1960

G. H. W. Bush

Mobil Oil Company called regarding the Scorpion contract. Everything is in order but they are making one change. They would like for us to give them a standby without crews rate rather than use the system now called for in the draft, namely that in the event of standby without crews we would pass along to them any savings that would apply. I told them that these rates would not be very different but did agree that we would consider this if he would send us the draft.

GHWB/vf

cc: Nolan Stewart

W. H. Dean

July 28, 1960

C. H. W. Bush

I think this is one that I predicted correctly. I see no reason to take any position other than the one taken in the letter which I have attached hereto. I do not want to make any other arrangements on this until we talk about it thoroughly.

CMB/vE

cc: Nolan Stewart w/enc.

W. H. Dean

July 26, 1960

G. H. W. Bush

Attached is a bidding form for the job. I talked to Pagen at length about this deal. He asked me about the possibility of working this into a settlement of the Vinegarroon claim. I told him that we were still open minded on this and we had in mind adding a certain amount to the day rate which would come back to Zapata. My ideas on this would be as follows:

1. We will recognize that there is \$100,000 in dispute.
2. We will add to the contract \$200 per day for 17 months. As far as Pauley is concerned this \$200 will be billed to them as a regular operating rate but in our own accounting it will be allocated to pay off this \$100,000 obligation. This will have to be made clear to Escalante and will be separate and apart from anything else in the company. On the Mexican books we will have to set it up so that it will be deductible for tax purposes but perhaps it could be recorded as a fee for getting the contract.

By way of example, say the bidding will go to \$3500 a day. We would then agree with Pauley that the price for the first 17 months of the contract would be \$3700 a day. The new company would bill Pauley for \$3700 a day. Offshore would bill the new company every month for \$200 a day until such time as the \$100,000 was amortized.

Pauley seemed open minded on this and if we do get into negotiations I think it will be something they will be very willing to consider because it will be a way to get rid of the outstanding Vinegarroon claim without costing them any money. This will all be reimbursable from Pemex.

GHWB/vf

W. H. Dean

July 26, 1960

G. H. W. Bush

Today I talked to Bill Pagen at length. We discussed the Vinegarroon job. The tug people have extended the towing time so that the barge must leave by August 10th. It is possible they will be able to give a day or two more on this but right now they can only commit until August 10th. Giffin has gone along with this recommendation.

In this connection I am attaching a photostat copy of a letter to you received today from Ed Martin. It is very confusing to me. What exactly is he getting at? The main point to be borne in mind in talking to Pauley's people in connection with this thing is:

1. That the underwriters have cooperated to the tune of almost three weeks.

2. Captain Noble is concerned about the hurricane season. Yesterday he told me that this would be the first long trip that had ever been approved by the underwriters during the hurricane season.

3. Giffin is concerned about the barge being there at all and most important under the terms of our insurance policy with Giffin he can cancel without any reason whatsoever. He has, however, set out in detail the reasons for the cancellation, which is the weather. The Cravens Dargen telegram matter has been cleared up once and for all, I hope.

It is most important that Pauley adopt a set time schedule so that we will not find ourselves in a serious dilemma. That barge must leave Mexico under tow of the tug TURMOIL.

I have the feeling that Ed Martin does not think that Giffin can cancel without cause and if Giffin does so cancel our contract with Pauley is quite clear. I am confident that although Ed Martin appears not to understand this situation Bill Pagen does. This is why I am hopeful that they will adopt a specific schedule which will be geared to drilling depths on certain days so that they will definitely have this well finished in time for us to meet this August 10th deadline.

GHWB/vf

Enc.

W. H. Dean

July 25, 1960

G. H. W. Bush

California Company
Phone Call

Jesse Chambers called today and offered us the following deal on their big barge:

1. \$40,000 turn-key to move to location
2. \$7,200 a day with no boats and no fuel for drilling.

I told him I would talk to Caliga and let him know about this.

He said he had recently heard more about the core drilling program for Florida, stating that it was really shaping up. He would like to talk to you about this when you return.

GHWB/vf

W. H. Dean

July 25, 1960

G. H. W. Bush

Captain Noble

Captain Noble plans to be in Mexico so that his arrival will tie in with the arrival of the Smit tug. In the meantime he will be staying at the Sheraton Hotel in New Orleans, JA 58881. I suggest you call upon your return to finalize plans for the moving out of the rig. Will you please discuss with him taking the rig into Coatzacoalcos--he is open minded on this apparently.

GHWB/vf

W. H. Dean

July 25, 1960

G. H. W. Bush

If this deal is in accordance with your agreement would you please sign the copies in accordance with the instructions in the attached letter and get them over to Daussat as soon as possible.

GHWB/vf

Enc.

W. H. Dean

June 30, 1960

G. H. W. Bush

Yesterday I had a long meeting with Ed Kliever and Randy Smith. They wanted to see if we could get our insurance company to let the barge stay down there longer. I said that they could talk to the insurance company if they wanted but I doubted that the insurance company would let it stay. They furthermore wanted to know whether it would be all right if Pauley arranged insurance on our rig with some other underwriter other than Southern Marine. I told them that we would have serious objections to this.

I also told Kliever that we were very disturbed about the letter we had received from Pauley regarding the barge and the condition of it and furthermore we had received no answers to our communications on the disputed money.

Today Pagen called and he promises to call me Tuesday or Wednesday of next week to set a definite time and place to have a meeting on settlement of the claim. He also asked permission to talk to Giffin about extending the insurance, which I gave him. Giffin is just not going to change his mind.

I discussed with Pagen the disputed amount and suggested to him that the whole \$130,000+ amount is not in dispute. He told me that all the time that the Vinegarroon was "in for repair" was the disputed time and I assured him that not nearly this much time applied to this category. He further said that they were paying the rest of the money to us tomorrow.

GHWB/vf

Telefax

WESTERN UNION

SENDING BLAN

TelefaxCALL
LETTERS**TDW****6-23-60**CHARGE
TO**ZAPATA OFF-SHORE CO.**

**DEAN
ZAPATA
TRINIDAD**

**ENCOURAGING CONVERSATION SHELL GALVESTON
WORK FINAL DECISION NEXT WEEK.**

GHVB

Send the above message, subject to the terms on back hereof, which are hereby agreed to

PLEASE TYPE OR WRITE PLAINLY WITHIN BORDER—DO NOT FOLD

1269—[R 4-55]

ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of the message and the Telegraph Company

message should order it repeated; that is, telegraphed back to the original office indicated on its face, this is an unreported message and paid for as such.

for comparison. For this, one-half the rate is charged in addition. This is an unreported message and paid for as such.

1. The Telegraph Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the unreported message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the reported message rate beyond the sum of five thousand dollars, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines.

2. In any event the Telegraph Company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the actual loss, not exceeding in any event the sum of five thousand dollars, at which amount the sender of such message represents that the message is valued, unless a greater value is stated in writing by the sender thereof at the time the message is tendered for transmission, and unless the reported message rate is paid or agreed to be paid and an additional charge equal to one-tenth of one per cent of the amount by which such valuation shall exceed five thousand dollars.

3. The Telegraph Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.

4. The applicable tariff charges on a message destined to any point in the Continental United States listed in the Telegraph Company's Directory of Stations cover its delivery within the established city or community limits of the destination point. Beyond such limits and to points not listed in the Telegraph Company's Directory of Stations, the Telegraph Company does not undertake to make delivery but will endeavor to arrange for delivery by any available means as the agent of the sender, with the understanding that the sender authorizes the collection of any additional charge from the addressee and agrees to pay such additional charge if it is not collected from the addressee.

5. No responsibility attaches to the Telegraph Company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the Telegraph Company's messengers, he acts for that purpose as the agent of the sender; except that when the Telegraph Company sends a messenger to pick up a message, the messenger in that instance acts as the agent of the Telegraph Company in accepting the message, the Telegraph Company assuming responsibility from the time of such acceptance.

6. The Telegraph Company will not be liable for damages or statutory penalties when the claim is not presented in writing to the Telegraph Company, (a) within thirty days after the message is filed with the Telegraph Company for transmission in the case of a message between points within the United States (except in the case of an intrastate message in Texas) or between a point in the United States on the one hand and a point in Alaska, Canada, Mexico, or St. Pierre-Miquelon Islands on the other hand, or between a point in the United States and a ship at sea or in the air, (b) within 90 days after the cause of action, if any, shall have accrued in the case of an intrastate message in Texas, and (c) within 180 days after the message is filed with the Telegraph Company for transmission in the case of a message between a point in the United States and a foreign or overseas point other than the points specified above in this paragraph, provided, however, that this condition shall not apply to claims for damages or overcharges within the purview of Section 415 of the Communications Act of 1934, as amended.

7. It is agreed that in any action by the Telegraph Company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.

8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.

9. No employee of the Telegraph Company is authorized to vary the foregoing.

4-54

CLASSES OF SERVICE

DOMESTIC SERVICES

TELEGRAM

The fastest domestic service.

DAY LETTER (DL)

A deferred same-day service, at low rates.

NIGHT LETTER (NL)

Expedited overnight service. Accepted up to 2 A. M. for delivery the following morning, at rates lower than the Telegram or Day Letter rates.

INTERNATIONAL SERVICES

FULL RATE (FR)

The fastest overseas service. May be written in code, cipher, or in any language expressed in Roman letters.

LETTER TELEGRAM (LT)

For overnight plain language messages, at half-rate. Minimum charge for 22 words applies.

SHIP RADIOGRAM

For messages to and from ships at sea.

W. H. Dean

June 23, 1960

George H. W. Bush

Shell Oil Company

I talked today to Wes Lund and Ellis Sheridan and Don Leigh. Lund will be in charge of all production for Shell, having moved over from New Orleans. Under him will be Sheridan in charge of drilling and Leigh in charge of offshore production and drilling.

Lund indicates that they have a good deal of work and at the minimum our barge would be kept on for four months and it could be for "many wells". He pointed out that they had kept the Louisiana barge busy for a couple of years. He will make the final decision this coming week.

They do not know whether they want to use boats or copters. However, I had Falgout get in touch with them on the boat situation.

I believe this job could be a real good one. When you get back Ellis Sheridan wants to talk to you about some questions he has on some of our drilling equipment. This one we should really follow up on.

GHWB/vf

W. H. Dean

May 26, 1960

G. H. W. Bush

This morning a Mr. Taylor with Kerr-McGee in Oklahoma City called. They plan to drill two wells in 77 ft. of water at Block 160, East Cameron. They have to start by August 31st and they were wondering if the Vinegarroon would be available. I told them that we did not know but if we found it would be available we would call them.

GNB/vf

cc: H. S. Taylor

W. H. Dean

May 26, 1960

G. H. W. Bush

I talked to Bill Pagen on the following matters:

1. Falgout boat contract for Tilman J. Mexico City advised Rudolph that this contract had been approved and forwarded to California. Pagen advised that this contract is in the hands of his lawyer, Mr. Hedges, and he will look into it and let us know about it early next week.

2. Money. I pointed out to Pagen that they owed us \$93,000 on the 20th of May and will owe us \$220,000 on June 1st. He said that they are having a meeting at the bank this afternoon to discuss their new reserves and he hoped that they will have a check for us on Tuesday on both accounts. He will let us know about this the first of next week. I impressed on him the necessity of keeping current.

3. Regarding future work for the Vinegarroon. Mr. Pauley will return from Mexico Friday and they will know something more by then. He will let us know "as soon as possible" about the Vinegarroon. They are also trying to work out permits for more wells. They are considering buying an already built twelve well 50 ft. of water platform in Houston. They are also talking to Raymond International about a second platform for deep water but more drilling will have to be done before they can place this platform.

I pointed out to Pagen that the insurance company had been giving us a hard time as I had told before. It is possible that any day they might advise us that we would have to get out of Mexico and that in general the situation was up in the air. By discussing this with Pagen we are keeping him informed and giving him notice in the event the insurance company decides to remove us from the scene.

4. Regarding the force majeure claim and the letter which Pauley sent us. He will let us know more about both of these things on Monday. He sent the letter along with the Fride & Golman report along to Mr. Hedges, the lawyer. I told him that we did not want to have a barge that was not fit for service working and that we were genuinely interested in having his views on this matter, although we did not agree with his letter. Regarding the force majeure claim he reiterates Pauley's position that they do not owe us any money for down time on the second accident. I told him that the contract provides for arbitration and that we would instigate arbitration procedures but I wanted to talk with him so as not to embarrass him with Pemex or foul up any financial arrangements he might be making. He said he appreciated this and would let us know Monday or Tuesday his views on this whole matter.

GMB/vf
cc: Nolan Stewart
Jim Riggart

Porcely has prepared a duplicate file on the Brown & Root barge. He should make this available to Captain Young at his request. Apparently Captain Young and Kitterer are going to meet with Ragan, Martin, etc. in Mexico on the Brown & Root barge situation. Young informs us that we are not being further involved in this but, of course, if Brown & Root decides to sue to collect their money they will be suing Zapata. Captain Young as a matter of courtesy suggested that we could have somebody at the barge meeting. My feeling on this is that we do not want in any way to indicate that we are liable since Raulley has stated emphatically that we are not. We will cooperate with Raulley but we certainly do not want to be taking the lead or initiative on any of this.

Brown & Root Barge

G. H. W. Bush

May 26, 1960

W. H. Dean

W. H. Dean

May 24, 1960

G. H. W. Bush

Schlumberger Unit on Nola II

Some insurance man was in here and talked to Rudolph last week. He indicated that the insurance company has not yet paid off on the Schlumberger Unit.

At my request Figart talked to McDaniel about it to make it clear to him that we did not own the Schlumberger. Our contract does not specifically exempt the Schlumberger unit from the sale. McDaniel took the position that the Schlumberger unit was a valuable piece of equipment that he had bought and suggested that we "get clear with Schlumberger on this". We want to avoid a squabble with McDaniel on this.

He is on notice that we do not intend to sell him the Schlumberger unit but his position is put to be that the contract does not exempt the Schlumberger unit from the sale. He will be entitled to salvage, of course, but it is my hope that he will not be coming to us with some kind of claim on the Schlumberger unit.

GHWB/vf

cc: Nolan Stewart

W. H. Dean

May 24, 1960

G. H. W. Bush

Drilling Prospects in Gulf of Mexico

By way of keeping you up-to-date the following possible contracts were discussed last week and yesterday.

1. Standard of Texas. I talked to Dow Mims. He indicated that they had a rig they could get in 30-40 days but he had made no definite commitment.

2. Figart talked to Dick Meyers with Shell, who had called earlier last week. I talked to Meyers yesterday. They have two wells to drill which they will give a contract for immediately but although he says they have more work they will not contract for it at this time.

3. Figart talked to Don Dampf. He indicated that they have a good deal more work to do which we probably could get although they do not want to make a term contract.

4. Figart talked to Gulf. They indicated that they could take a rig immediately.

5. Figart talked to Jim Craig with Continental; Figart and Taylor talked to Rushing and I talked to Kendrick and Gregg in the Southern Region. CATC apparently has authority granted to put on more rigs if they want to. None expressed a willingness to give us a term contract. On the Southern Region deal Gregg was a little bit vague as to when this would be drilling but Taylor was told that Southern Region has six wells to drill, four in 80 ft. or less of water and two in 100 ft. of water.

Regarding the rates Dixilyn indicated to Figart that Blue Water was getting \$4750 per day, no boats, no fuel and said that they, Dixilyn, were getting \$5350 from Sinclair, no boats, no fuel.

GHWB/vf
cc: Ian Figart

W. H. Dean

May 25, 1960

G. H. W. Bush

I talked to George Relf with Gulf. Relf now has authority for all the stuff Hardy Moore used to do as well as exploration. I called him about Gulf's deep water drilling plans in the Gulf of Mexico. He said we should talk to Barney Hopkins in New Orleans.

He also mentioned to me the drilling program that Calco and Gulf were going to have west of Key West. He said that Calco is handling this program but that Gulf would be real interested. Accordingly I have written the attached letter to Earl Kipp. A man from Mississippi with Gulf called Figart last week about this program.

cc: Nolan Stewart
Ian Figart

Wayne H. Dean

George H. W. Bush

May 16, 1969

Today Dick Meyers from Shell called. He said that Pittman had just called him and asked him to find a rig. He said they had two wells to drill in 67 ft. of water, Block 183, Eugene Island. Dixilyn has drilled here before. They also have other wells to drill but would be prepared to make at least a two-well deal now. I told him I would let him know something if we heard the Vinegaroon was coming out of Mexico.

Just thought you would like to have this cheering news on this trip.

CHWB/vf

c. W. H. Dean

G. H. W Bush

Ian Figart

May 6, 1960

Sometime ago I talked to Aircraft, Inc. about the transportation problems at Coatzacoalcos. Attached hereto is a letter setting forth their proposal. Under the existing situation in Mexico it does not appear to me that this would save the company any money. It might be helpful to have these in the files for future reference.

GHWB/vf
Enc.

ZAPATA OFF-SHORE COMPANY
1701 HOUSTON CLUB BUILDING
HOUSTON 2, TEXAS

W. H. Dean
Nolan Stewart

G. H. W. Bush
April 12, 1960

In order to perfect our Oil Well Supply Mortgage is
it necessary that we have the Ship's Papers on the
Nola III. Will you please secure these papers from
the Nola III as soon as possible.

GHWB/vf

Wayne H. Dean
Ian Figart

George H. W. Bush

March 18, 1960

Mr. J. E. Suttles with Union Oil Company called yesterday. All of the operators in the Block 86 area recently had a meeting. These included Pure, Tennessee, Superior and Union. Mr. Suttles apologized for the fact that we were not invited and said that it was purely an oversight on their part.

Each of the companies has submitted a list of the requirements to Ford Bankston, production superintendent. On February 1st I wrote Mr. Sands at the request of Union, a copy of the letter is attached hereto. Apparently Tennessee and Pure want Union to be the operator of the field. Union is drawing up some requirements and some proposed operating procedures and will call another meeting.

The study of these three companies indicates that the Union operation will save all companies in the area a great deal of money. Mr. Suttles assured me that we would be consulted on this when the meeting came up. This will not be as good as Tennessee or Pure operating for us but I am certain that we can effect some real savings by looking into this. If Pure, Tennessee and Superior are in with Union it seems to me that we have little choice in this matter unless we continue under our present set up.

GHWB/vf
Att.

Withdrawal/Redaction Sheet

(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01. Letter w/ attachments	From George Bush to Wayne Dean RE: Financial information (10 pp.)	n.d.	C	
COLLECTION George Bush Personal Papers Zapata Oil File Business Correspondence Files				
FILE LOCATION Inter-Office Correspondence - Wayne Dean (1959-1960) OA/ID Number Date Closed 10/29/99				

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Sheet

(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
02. Memo w/ attachment	From George Bush to Wayne Dean RE: Financial information (2 pp.)	2/12/60	C	
COLLECTION George Bush Personal Papers Zapata Oil File Business Correspondence Files				
FILE LOCATION Inter-Office Correspondence - Wayne Dean (1959-1960) OA/ID Number Date Closed 10/29/99				

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Wayne H. Dean

FROM: G.H.W. Bush

CC: •

DATE: February 12, 1960

SUBJECT: _____

I want to wait on hiring ^{the} ~~this~~ engineer until
I get back.

Attached is a letter from O. S. Hervey
and a copy of my letter to him.

GHWB/dw

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Wayne H. Dean

FROM: G. H. W. Bush

CC:

DATE: February 12, 1960

SUBJECT:

CONFIDENTAL

Taylor was not in the office today, therefore, I was not able to discuss with him the question of option. Would you please tell him of our conversation yesterday and assure him that we will endeavor to make a fair arrangement on my return.

Mr. Dean: Mr. Taylor did come in the office at 10:00 AM and Mr. Bush did see him, however, Mr. Taylor was not alone in the office with Mr. Bush so I do not know whether or ~~not~~ not Mr. Bush did discuss the above matter with him.

Dorothy

W. H. Dean

G. H. W. Bush

February 2, 1960

I talked to Roy Cappel this morning. They are figuring on 10 structures for 75 ft. of water including piling for 100 ft. penetration. They will also figure what work force and equipment we would need to sustain the 1-1/2 structure per month program that Ed Martin talked about when he was up here.

GHWB/vf

W. H. Dean

Tom Figart

G.H.W. Bush

December 22, 1959

Attached is a copy of an article on Blowout Prevention prepared by the American International Underwriters Corporation. Johnson & Higgins has sent this to us and if you have any comments on this please let me know.

CHWB/vf

Enc.

Wayne H. Dean

J. A. Rudolph

G.H.W. Bush

December 15, 1959

David Dorn with Forrest Oil Company called today and would like to have an estimate on what it would cost to drill a dry hole on their Jumbo Dome Area on which they have the lease to 8000 ft.

They want to drill a hole big enough to set 7" casing. They would like to have this information by noon tomorrow and the estimate can be fairly rough although it should be realistic enough that it won't scare them off. They plan to drill three wells sometime in the second or third quarter, which they will operate.

Around February we quoted them on nine dry holes, perhaps we still have that quote around. They want to use a mobile platform although perhaps we could talk them into a floater if it was the right time of year, etc. We should include the cost of mud, bits, surface pipe, etc, but not the cost of completing the well.

GHWB/vf

Wayne H. Dean

George H. W. Bush

J. A. Rudolph
M. Stewart
R. C. Mosby
F. B. Allen

December 9, 1959

Insurance Meeting, December 14th & 15th

On Monday and Tuesday, December 14th and 15th P. S. Bush, Jr. and Shel Timberlake both of Johnson & Higgins will be here to discuss our overall insurance program. All pending questions on insurance matters will be discussed and an effort will be made to improve our entire set-up.

A suggested outline of matters to be discussed is as follows:

- I. Cargo Insurance (Timberlake)
 1. How to report
 2. What is covered
 3. Claims procedure
- II. Hull Insurance
 1. Discussion of new hull rates
 2. How to report should certain major items be deleted from hull coverage (Schlumberger abroad for example)
 3. Claims procedure
- III. Workmens Comp.
 1. Review of procedure
 - a) What Texas Employers has done and should be doing
 - b) What Zapata has done and should be doing
 2. Discussion of specific cases and suits under Jones Act (determine contacts made by TEC, etc.)
 3. Rates
- IV. Other matters
 1. Group Life
 2. Cost of Control Insurance
 3. Our whole program on insuring wells which we operate
 - a) Can we get coverage which will restore well if it is damaged
 4. Accident policies

W. R. Dean

G. H. W. Bush

I. Figart

November 17, 1959

M. Stewart

J. A. Rudolph

On any future voyage involving cargo insurance, prior to the voyage we should write a letter to Johnson & Higgins setting out the proposed trip and how it will work. The destination, method of unloading cargo, etc. should be outlined to the best of our knowledge. Then if there is to be any deviation from this we should immediately notify Johnson & Higgins.

We should also declare an estimate value of cargo at that time and then notify Johnson & Higgins if there is any changes as to values. This should be done as far in advance of the journey as possible. We should allow ourselves plenty of leeway as far as time and specific names of vessels which will be doing the unloading, etc. are concerned.

w7

CHWB/vt

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: G.H.W. Bush ✓

FROM: Wayne H. Dean

CC: See Below

DATE: November 13, 1959

SUBJECT: NOLA 2

In a phone conversation this date with Harry Blakely, he gave me the following rates that Captain Ryan has proposed on a No Cure-No Pay basis:

1. Remove existing cargo from the Nola 2 and deliver same to Coatzacoalcos docks for the total sum of \$30,000.00 with Zapata Off-Shore Company supervising and paying for the unloading and stacking of the cargo material in C.I.M.A.'s yard.
2. Salvage the Floating Drill Barge Nola 2, furnish all equipment, all labor, all towing, all patching equipment and deliver Barge to Levingston Shipyards in Orange, Texas, for the total sum of \$110,000.00.
3. Remove the Motor Vessel General Bradley from the beach sixteen miles east of Coatzacoalcos and deliver vessel to the Coatzacoalcos docks for a total sum of \$14,000.00 or deliver the vessel to Veracruz for a total sum of \$15,000.00, whichever place has sufficient dry docking facilities to repair this vessel.

Captain Ryan is making plans to get all equipment together and be on location ready to start work on the Nola 2 November 24, 1959.

WHD/dw

cc: N. Stewart
I. Figart
F. Allen
R. Mosby
J. Rudolph
K. Roy

W. H. Dean

G. H. W. Bush

November 27, 1959

Harold Teasdel of California Company called Wednesday. I called him back today and he says he wants to have lunch with me on Wednesday here in Houston. I will ask him about the deep water drilling barge possibilities at that time.

GHWB/vf

Wayne H. Dean

G. H. W. Bush

J. A. Rudolph

November 27, 1959

I should like to have a complete list of all of the people who have filed suit on Zapata Off-Shore Company or who we feel are about to file suit on us by reason of injury. As soon as this is received I plan to take this up with both Texas Employer's and Johnson & Higgins. Please set out the amounts for which we are being sued as well as the individual's name, the date of the injury, etc.

GHWD/vf

W. H. Dean

G. H. W. Bush

November 9, 1959

Rate of Transportation Tax

Baine Kerr called about the Transportation Tax on the boats. We are submitting a brief to Washington. The agents handling the deal for the government are getting a rule out of the top office and offering to let us submit a brief to support our position. It may be that we will need an affidavit from Figart or you to show that we do in fact control the movement of these boats; that our base operators or drilling superintendents can order the boats to leave port, pick up cargo, etc.

GHWB/vf

Wayne H. Dean

G.H.W. Dush

J. A. Rudolph

October 26, 1959

Jesse Chambers called today. The Scorpion's well will be West Delta 27, Ocs 0692. Jesse asked that you call him as soon as you get back to tell him that rate we will charge. I jokingly asked him how much he could stand, having in the back of my mind that we had already agreed with him on a rate, but he told me that he wanted you to either call or write him to set the day rate.

He also ask that we notify him when the Scorpion left Federal 52, Standard of Texas.

Jerry: Please notify Mr. Chambers when the Standard of Texas well is finished and from time to time keep him informed of our progress on Block 86.

GHWB/vf

ZAPATA OFF-SHORE COMPANY
2518 FIRST CITY NATIONAL BANK BUILDING
HOUSTON 2, TEXAS

W. H. Dean

G.H.W. Bush

October 22, 1959

I had a long talk with Kendrick at Continental today. He suggested that on the deep water stuff they will know a lot more after the lease sale.

On 208 I told him about our problem in Mexico and told him we were going to give it a good try on 208 wells but that we did not want to stay out there if the weather is too bad. He understood that perfectly.

GHWB/vf

ZAPATA OFF-SHORE COMPANY

2218 FIRST CITY NATIONAL BANK BUILDING

HOUSTON 2, TEXAS

FLUORESCENT

W. H. W. W.

W. H. W. W.

October 21, 1959

I had a long talk with Mr. W. H. W. W. at Houston, Texas. He is very interested in the deep water work that we are doing. He is very interested in the deep water work that we are doing. He is very interested in the deep water work that we are doing.

On 10/21/59 I had a long talk with Mr. W. H. W. W. at Houston, Texas. He is very interested in the deep water work that we are doing. He is very interested in the deep water work that we are doing. He is very interested in the deep water work that we are doing.

W. H. W. W.

W. H. W. W.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: G. H. W. Bush
CC: See Below

WHD

FROM: Wayne H. Dean
DATE: October 15, 1959

SUBJECT: _____

Mr. W. W. Cieply, who is Manager of Operations for the Catco Group in Morgan City, Louisiana, is to be notified prior to the departure of the NOLA 3 from Orange, Texas to Catco's location so Mr. Cieply will be able to have a surveyor available to meet us at the location for a survey. Mr. Cieply's phone number is 5049.

They have made arrangements for us to use Kyle Taylor's Dock in Berrick, Louisiana, to operate from while we are drilling these wells.

WHD/dw

cc: Nolan Stewart
Ian Figart
Russ Mosby
Jerry Rudolph

Wayne H. Dean

George H.W. Bush

August 25, 1959

The following calls or letters regarding work have recently come in.

Matt Gordy - Pan American - want to drill in 200 ft. of water.

Boswell - see letter to Boswell and Yamashita

Matthews - Texaco - want to drill 100 ft. water South Pass Area - drill next fall.

General American - bid on three wells to start next winter (see bid request)

Bill Boyd - British American - wants to drill in 25 ft water near Cameron, felt we wouldn't be competitive on day rates (Near Block 45-B Cameron)

Dow Mims and Ken Shuter - Standard of Texas job. Say Vinegarroon will be released in 6 days. Nolan says Ed told him OK to drill one more well.

GHWB/vf

W. H. Dean

G.H.W. Bush

Nolan Stewart

August 13, 1959

Standard of California

Earl Kipp called today. They have a 10,000 ft. well to drill on the Trinidad side of the Gulf of Paria in 25 ft. of water. They are in no hurry and there is no deadline. He referred to the test as a deep strat hole test.

He called us because his big mobile barge was too expensive to drill this test in 25 ft. of water, he says, and the small floater cannot go into that shallow water with the blow-out preventer hook-up necessary. He does not have enough of this work to have a mobilization and demobilization rig and therefore, he was wondering whether we could take care of him with one of our units, which might be in the area. I told him I would talk to you about this and we would be in touch with him next week sometime. Perhaps we can work this in with the Pan American well or the Texas Company or Kern contracts.

He passed along the following information:

1. They had not drilled pedernales yet and do not plan to in the future.
2. Their Equidorian deal will be drilled with the G.P. core boat. They have three core wells to drill there.
3. Their mobile barge is on location and is completing the well that was first drilled by the floater.

Wayne H. Dean

George H. W. Bush

August 21, 1959

Wayne, the Snare Corporation, an engineering and construction firm in New York is contemplating the purchase of a LeTourneau derrick barge to be used for the setting of concrete. They say Shell is going entirely to these platforms. Their chief engineer called today wanting to know something about these platforms. He was saying that Letourneau has sold another barge to use at Lake Maracaibo for erecting the bridge across the lake.

I have given Russ the name of the Snare Corporation engineer so he can call him when he is in New York.

GHWB/vf

Wayne H. Dean

George H. W. Bush

August 20, 1959

Dow Mims called me today. He was in New Orleans yesterday and talked to DuPree about trying to get the Scorpion. DuPree told him the Vinegarroon was already drilling Block 104 which was erroneous. Dow said he would like to have us drill 104 and then he would get Calco to agree that the Scorpion would drill one more for Standard of Texas and then fulfill the Calco obligation. I told him this would be agreeable to us but that it was essential that we move from where we are now to 104. I asked him as to an estimate of how long he would be on the present well and he said from 25 to 30 days. I hope he is wrong on this.

GHWB/vf

Wayne H. Dean

G. H. W. Bush

R. C. Mosby

August 18, 1959

T. J. Devine called. At my request he went by to talk to C. R. McBride at General Dynamics. The meetings will last two days and they are to start early Monday morning. Therefore, he has suggested the following:

Leave Houston 9:00 a.m. Eastern Air Lines Flight 508

Arrive Idlewild 3:10 p.m.

Take cab to New York City, Grand Central Station

Leave Grand Central Station 5:00 p.m. train

Arrive New London 7:21 p.m.

Reservations have been made New London Motor Inn for Mosby, Dean and Devine. T. J. Devine will meet you at train gate at Grand Central Station just before train time.

John Mitchell and McBride of General Dynamics plan to attend the meetings.

If plans change please call Devine, South Hampton, New York, phone South Hampton 12453.

There is a 6:00 p.m. train if you cannot make the 5:00 p.m.

GHWB/vf

Withdrawal/Redaction Sheet

(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
03. Memo	From Nolan Stewart to Wayne Dean RE: Financial and employment information (1 pp.)	7/25/59	C	
COLLECTION George Bush Personal Papers Zapata Oil File Business Correspondence Files				
FILE LOCATION Inter-Office Correspondence - Wayne Dean (1959-1960) OA/ID Number Date Closed 10/29/99				

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

WAYNE DEAN

G. H. W. BUSH

July 20, 1959

Atlantic Contract

I have returned the Atlantic Contract. Page 13 needs to be corrected. This has the implication that there is some footage involved in the contract which is not true.

W. H. Dean

G. H. W. Bush

June 17, 1959

C.I.M.A.

Ed Martin called today. He said that the Nola deal was about to eat him up. He also stated that he felt that their neck was stuck way out on the work but he felt that Zapata was also. I concurred. He said that Pauley thought the price was too high by \$1000. They have approved the use of the Nola in principle but need to cut the price.

He said that Pauley told him that he had received a previous bid from Zapata for \$3750. He had not gotten across to Pauley that the difference in price was do to extras but he would like some kind of breakdown to back up his position (since talking to him I have looked the bid over and the \$3750 was without boats, for one thing). He says the California people are going to talk and compare the cost of California drilling methods, etc. They keep questioning whether the thing will work.

Regarding the beach rigs, they are going to put out or ask for competitive bids on it. Probably for 5 wells on a day rate basis and then ask for renegotiations to drill _____ wells. It looks like the rig will have to come in from the States. One rig down there can do the work. Delmar National 75 but it is busy and has to drill other wells.

I told him we would try to provide him with some kind of breakdown and if necessary you would be glad to sit down with him and show him that they are getting a reasonable deal. He would like either of us to call before the week-end.

GHWB/vf

Wayne H. Dean

George H. W. Bush

June 4, 1959

Okasaki called from New York. Reading and Bates has made reservations for him here starting Sunday night June 7th. He will be here June 7 - 11 th.

He would like to go to our rig one day but they do not know which day that will be.

I also told him we would like to give him a luncheon inviting some of the oil people to meet him and his father. He is to call me at home Sunday night.

GHWB/vf

Wayne Dean

G. H. W. Bush

April 16, 1959

Meeting of Off-shore Drilling Companies in New Orleans

I had a meeting yesterday in New Orleans in the office of Southern Natural Gas Company, Saratoga Building. The following companies were represented:

Rimrock Tidelands, Inc.

Odeco - Dr. LaBorde

Barnwell - The Vice-President and contact man

Blue Water - Sam Lloyd and Ray Terry

Louisiana Delta - Dave Vasser and Alvin Howard

The Offshore Company - Stoneman

Zapata - G. H. W. Bush

Southern Natural Gas Co. - C. T. Chenery, Chairman of the Bd.
Winn, Vice-President

Van Den Berg, Vice-Chairman of
the Bd. and one other Vice-Pres.

Chenery presided at the meeting and stated that although conditions were improving in the Gulf, he felt it would be better for all concerned if the represented companies and perhaps others were put together. He and Alvin Howard presented to the meeting a plan which essentially involved each company putting into the new company all of its mobile equipment, in return for debt; 60% of which would be in the form of first mortgage bonds and 40% in the form of second mortgage bonds or debentures. In other words, if Zapata put in 8 million dollars of equipment we would get first mortgage bonds in the new company in the amount of 4.8 million and second mortgage bonds in the amount of 3.2 million. We would also get common stock in the proportion that 8 million bore to the total amount of equipment put in the new company.

PAGE TWO

Quite obviously the company which has a low debt is penalized considerably or the company which bought equipment cheaper is penalized. We are not interested I am sure in the plan as proposed by Southern Natural Gas.

Mr. Chenery mentioned several things I thought would be of interest to you:

1. They expect all insurance rates in the Gulf of Mexico to go to 6% immediately.
2. They claim they are working their big barges at \$6000 a day. Stoneman winced at this and looked guilty.

They are scheduling another meeting for May 8th, but I think that prior to that time it would be appropriate for Zapata to withdraw from any further discussions.

GHWB/vf