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Subseries: Zapata Oil File, Business Correspondence File

OA/ID Number: 25851
Folder ID Number: 25851-006

Folder Title:
[Inter-Office Correspondence] - Nolan Stewart (1958)

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ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Wayne H. Dean,
CC: George Bush, Jerry Rudolph

FROM: Nolan Stewart
DATE: December 15, 1958

SUBJECT: 200' Tripod Platform

Talked to Wayne Crissman, Gulf Oil Company, Morgan City, 9:00 A.M. this morning. He advised that Dr. Nedderman had checked out the tripod design we submitted for 200' water depth and found it to be o.k.

I asked him what else it took to get the job and he replied he wanted to see the barge in action. I told him we would keep him informed.

I think we might persue this further from the top to speed things up. I expect to see Mr. Hardy Moore today.


Nolan Stewart

NS:bb

ZAPATA OFF-SHORE COMPANY

INTER-OFFICE CORRESPONDENCE

TO: Nolan Stewart
FROM: George H. W. Bush

DATE: September 29, 1958
SUBJECT:

The attached letter, received today from Lavon Gunter, offers us 320 acres under a 640 acre section which is almost worthless. I therefore do not see how we can possibly do this Galveston County test. Unless you have any other suggestions, I believe it best to tell Fogarty we cannot get support from The Texas Company and therefore cannot drill on the Galveston offshore area. If you have any other ideas on this let me know before I write Fogarty.

GHWB:JMcB
cc: Mr. Little

September 29, 1958

The Texas Company
P. O. Box 2332
Houston 1, Texas

Attention: Mr. Lavon Gunter
Division Landman

Your Ref: Fort Point Area
Galveston County, Texas - Offshore
Coord: S-23 S/2
JK-MLD

Gentlemen:

Thank you for your letter of September 26. Due to the cost of a test in the offshore Galveston County Area we do not feel we can proceed on the basis outlined in your letter. I appreciate your consideration of our proposal, and I am sorry you are unable to join us or make a dry hole contribution.

Yours very truly,

ZAPATA OFF-SHORE COMPANY

George H. W. Bush
President

GHWB:JMcB
cc: Mr. Stewart
Mr. Little

THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



DOMESTIC PRODUCING DEPARTMENT
SOUTH TEXAS DIVISION
LAVON GUNTER, DIVISION LANDMAN

P. O. BOX 2332
HOUSTON 1, TEXAS

September 26, 1958

FORT POINT AREA
GALVESTON COUNTY, TEXAS - OFFSHORE
Coord: S-24 S/2

REFER: JK-MLD

Zapata Off-Shore Company
Box 3195
Midland, Texas

Attention: Mr. George H. W. Bush

Gentlemen:

We wish to acknowledge receipt of your letter dated September 22, 1958, wherein you advise that you are currently negotiating with Texas Gulf Sulphur Company on State Tracts Nos. 215, 220 and 224, with the view in mind of drilling a 9,000-foot test upon either Tract 215 or 220. You request our consideration in supporting your proposed test with dry hole money or that a drilling unit be formed and we join you in such operation.

Your tentative proposal has received our consideration and, due to our existing dry hole money commitments, our budget will not permit us to consider supporting your proposed test. Likewise, our present information will not permit us to consider the drilling of a joint test. However, we should like to cooperate in the matter of seeing a well drilled in this area and we would be willing to recommend to our management that we contribute an undivided one-half interest (320 net acres) in one of our State Tract leases which would be directly offset (660 feet or less) by your proposed test, subject to our retention of an overriding royalty interest therein. Under our suggested arrangement, operations for the drilling of a well upon our lease would be commenced within 90 days from date of completion of your offset test, failing in which, the undivided one-half interest in our lease would revert to us. Should you elect to drill on our lease, we would then consider either joining you to the extent of one-half or working out a mutually satisfactory sublease so that you could proceed alone.

At the present time, we do not have the authority to proceed upon the basis suggested above; however, we would be pleased to submit such a proposal to our top management if you feel that the same is satisfactory to you.

Zapata Off-Shore Company

-2-

September 26, 1958

If, after reviewing your position, you find that you could proceed with the proposed development along the lines we could recommend to management, we shall appreciate receiving your firm proposal to that effect, including your selection of a location.

Yours very truly,

Lavon Gunter
Lavon Gunter *K*

JK-MLD

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Wayne H. Dean

FROM: Nolan Stewart

CC: George Bush

DATE: August 2, 1958
(Dictated)

SUBJECT: DRILLING ON UNLEASED FEDERAL LANDS

About a year ago I had correspondence with Mr. Henderson, U.S.G.S office in New Orleans and with Mr. Fred Seaton, Secretary of the Interior, regarding the possibility of drilling stratigraphic holes on unleased Federal lands in an area from Brownsville to Florida. At that time there appeared to be no obstacles of accomplishing this without the payment of any lease money whatsoever to the Federal Government.

This will enable major companies or ourselves for our account to stratigraphically explore these lands without lease payments and determine which areas were desirable to nominate for future leasing.

The conditions Mr. Henderson stipulated appear to be entirely acceptable to ourselves or to a customer and they are as follows:

1. That we would keep him advised as to the area in which we were working.
2. That we would comply with pertinent safety requirements for drilling in the area.
3. That copies of logs or cores which might be made would be on file in his office for U.S.G.S. purposes only.
4. That the area of the drilling operations would be swept in an acceptable manner to make sure that the bottom was left in a clean condition.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Wayne H Dean

FROM: Nolan Stewart

CC: George Bush

DATE: August 2, 1958
(Dictated)

SUBJECT: Drilling On Unleased Federal Lands - Page # 2 of 2

In a conference with Mr. Henderson yesterday he reaffirmed that this procedure would still be acceptable to he and the Government. He agreed to keep all information, preliminary and otherwise, confidential.

We mentioned the ability to do this work to John Atwood of Sohio Oil and he was intensely interested for his company's own account rather than the combine. He is pursuing this further with his management and said he would be in touch with us shortly. The only other company that knows of my negotiations with Henderson is the Texas Gulf Sulphur: they too are also interested.

NS:bj
8/4

ny

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Wayne H. Dean

FROM: Nolan Stewart

CC:

DATE: July 22, 1958

SUBJECT: Trinidad-Venezuela Trip
7/7/58 thru 7/18/58

The following people were contacted:

1. Dominion Oil Limited, Trinidad
Mr. Bill Jackson (W.B.)
Mr. Bob Leverson
2. Skinner Drilling Company, Trinidad
Mr. Don Skinner
3. Fitzwilliams, Stone & Alcazap, Attorneys, Trinidad
Mr. Fitzwilliams
4. Fitzpatrick & Graham, Accountants, Trinidad
Mr. John Donald
5. Texaco-Trinidad, Inc. (Tex-Trin) Trinidad
Mr. G. P. (Pat) Laird, Supt. of Marine Operations,
Mr. Christian, Vice President was in New York
Mr. Parkinson, General Manager was not seen.
6. Kern Trinidad Petroleum Co., Trinidad
Mr. Abbott was seen in the absence of Mr. D.N. Hannay-
Presently on leave in the United Kingdom.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Wayne H. Dean

FROM: Nolan Stewart

CC:

DATE: July 22, 1958

SUBJECT: Trinidad-Venezuela Trip - Page #2

7. Shell Oil Co., Caracas
Edificio Shell, Apt. 809, Phone 54-70-11

Mr. W. J. Baan was on leave in United Kingdom.
Saw his assistant, Mr. Greaves.
8. Pan-Venezuelan Oil Co., Caracas
Apt. Del Este 5498. Phone 717820
Mr. D. M. Clary
9. Paria Operations, Caracas
Edificio Galipan. Phone 33226, 32758
Mr. T. A. Van Griethiesen, President, was seen.
Mr. Frank Wright, Vice-President, was not in.
10. Mene Grande Oil Co., Caracas
Edificio Vulcania. Phone 556041
Mr. Huie was seen.
11. Richmond Oil Co., Maracaibo
Mr. Art Brown, President
12. Mene Grande Oil Co., Maracaibo
Mr. Hoyt Austin
Mr. Baldwin
13. Sun Oil Co., Maracaibo
Mr. Turner
14. Adams & Porter C.A. Insurance, Maracaibo
Mr. G. D. Chambliss
15. Oilwell Supply Division, Maracaibo
Mr. John Streetly

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Wayne H. Dean

FROM: Nolan Stewart

CC:

DATE: July 22, 1958

SUBJECT: Trinidad-Venezuela Trip Page # 3

1. Dominion Oil Limited

Several conversations were held with Mr. W. B. Jackson and Mr. Leverson, General Manager of this firm. A proposal was made in line with their invitation to bid. Specific information developed here and with Mr. George Savage of Offshore shows the following:

They work their drilling crews 6 days on and 2 days off- 8 hours per day. Working 4 crews they have 4 American drillers; 1 mechanic and 1 roustabout pusher who is also qualified to drill. They pay these people \$850.00 plus a \$250.00 living allowance per month. Total \$1100.00 American dollars per month. They do not furnish any transportation.

They work 2 Pushers. They work 2 days on and 2 days off. Their salary is \$1000.00 plus \$350.00 living allowance. Total of \$1350.00 each per month in American dollars. They furnish one car for the two pushers. A car can be rented for approximately \$200.00 American dollars per month.

Offshore maintains a small galley with one cook for the Pushers and feed the American personnel that are on duty. Their grocery bill averages about \$1500.00 American dollars per month for the barge and three boats.

2. Skinner Drilling Company

Mr. Bob Skinner, Wayne and myself held a short conference. The gist of which was that a great increase of activity was expected in the whole gulf area. He said Pat Laird of the Texaco-Trinidad, Inc. was the man to talk to, however, Mr. Parkinson is the General Manager. He indicated Mr. Parkinson was usually slow in making decisions. Mr. Christian was the former General Manager but

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Wayne H. Dean

FROM: Nolan Stewart

CC:

DATE: July 22, 1958

SUBJECT: Trinidad-Venezuela Trip Page # 4

has since been transferred to New York and placed in charge of the Western Hemisphere as Vice President. Skinner thought highly of Mr. Christian.

3. Fitzwilliams, Stone & Alcazar, Attorneys

We had a very nice visit with Mr. Fitzwilliams. He was very helpful and is preparing a letter of suggestions for us pertaining to our move in this country. We spoke to him about using them on a retainer basis but since they represent most all of the big companies and oil companies there it would be best for both of us to just work on a job basis.

In a later conversation with Mr. Fitzwilliams I spoke to him about our accepting sterling in payment of our services. He is developing this more fully in a letter which has not yet been received in this office. However, it appears this can be accomplished.

Fitzpatrick & Graham, Accountants.

This firm was highly recommended to us by Fitzwilliams, Stone & Alcazar. We had a visit with the manager, Mr. John Donald and inquired if they would be interested in handling our payroll for approximately 65 men and furnishing office space and secretary for our manager. After about 3 hours of study they agreed they would handle our account for \$1200 to a maximum of \$1500 B.W.I. dollars per quarter.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Wayne Dean

FROM: Nolan Stewart

CC:

DATE: July 22, 1958

SUBJECT: Venezuela-Trinidad Trip. - Page # 5

5. Texaco-Trinidad, Inc.

Reestablishment of relations was successfully made with G.P. Laird. He definitely desired firm quotes on a mobile rig and the floating rig. He indicated two wells could be expected for the mobile rig in the early part of 1959.

We saw him on two different days and the second visit was after we had a chance to canvass the other prospects. After giving him our rates he said we were definitely "in the ball park" on both. Our offer to guarantee performance on the floating method had the hoped for effect of immediately bringing this method to the forefront. These proposals should be followed up through New York and Mr. Christian as soon as possible.

6. Kern Trinidad Oil Co., Ltd.

Mr. Abbott was seen in the absence of Mr. D.N.G. Hannay who was on vacation in the United Kingdom. He stated they had two wells to drill in approximately 60' water, 8000' tests this year. He is going to write Mr. Ziegler that we are planning to bring a mobile barge and a Y-F floating unit to that area. He felt like Mr. Zeigler would get in touch with us for a meeting. He also felt like they would consider us taking an interest. We are of the opinion that these two wells should be drilled by the floating method and after these are drilled we feel like the Texas-Trinidad Company would then be ready.

7. Shell Venezuelan (Caracas)

Mr. Jack Greaves was seen in the absence of Mr. Baan who was on an emergency trip to the United Kingdom. Mr. Greaves is assistant to Mr. Baan.

He stated that Mr. Baan was running the Gulf of Paria strictly out of his hip pocket at this preliminary stage. So far as Greaves knows no concrete plans are made as yet. He indicated that at least two wells are required.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Wayne Dean

FROM: Nolan Stewart

CC:

DATE: July 22, 1958

SUBJECT: Trinidad-Venezuelan Trip Page # 6

Greaves was so impressed with the floating drilling method that he requested I go to Maracaibo to see his operating people there. This was done and will be covered in the next paragraph. He believes the greatest savings, by using the floating method, will accrue through the use of smaller platforms and less derrick rigging time. Aluminum has not been proved to their satisfaction.

7A. Shell- Maracaibo

Mr. Greaves had made an appointment with Mr. Dosei, Manager of Exploration, for me. Mr. Dosei called in Mr. H. Duke and Mr. H.D. Manson. Floating and mobile were gone into in great detail. Keen interest was displayed in each.

The Middle East situation had just become the main talking point with these people. Mr. Duke stated they had just completed their cut back after the Suez crisis. Under those plans no guarantees could be made. Now, however, this could be changed momentarily. He definitely stated that were either rig in the area it would have work; not only from them but from others. Desire prices. Presently have 300,000 barrels shut-in. Can, however, cock back and deliver 1,200,000 barrels per day. If the Suez is closed of their Middle East production is impaired " we will want everything we can get in the way of equipment".

8. Pan Venezuelan

Mr. D. M. Clary was interested in both methods. However, all decisions will come from Tulsa. The principals to see in Tulsa are Messrs. Bedford, Farnham and J. J. Smith.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Wayne Dean

FROM: Nolan Stewart

CC:

DATE: July 22, 1958

SUBJECT: Trinidad-Venezuela Trip - Page # 7

Pan Venezuelan's concessions has the following characteristics:

Water depth 85-100', usually not over 90'. Overburden 40-50'.
Tide range 5'-7'. Waves 3'-5', current 3-5 MPH. Hole depth 10,000 -12,000'.
Casing: Drive 200' of 30" then to 600' with 20" then to 2000' with 13-3/8" to
5000' - 9-5/8" and to total depth with 7".

Expect to start in January 1959. 25,000 acres lease, desires a
pocket deal. Use Puerta La Cruz as base. They plan to use lime base oil
mud.

9. Paria Operations

Mr. J. A. Van Grietiesen stated they would have little interest in
either floating or mobile at this time. They are satisfied apparently with their
existing method of platforms. They have recently received bids on a 27 well
self-contained platform. He stated they plan to keep only one exploratory rig
in operation and indicated this would be the present Loffland tender. He did,
however, desire prices on a mobile rig.

10. Mene Grande Oil

Mr. J. Huie rekindled his previous interest in using the floating
method for slim hole exploration. Requested I see Mr. Hoyt Austin in
Maracaibo. Was unable to see Mr. Austin due to his being out of town.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Wayne H. Dean

FROM: Nolan Stewart

CC:

DATE: July 22, 1958

SUBJECT: Trinidad-Venezuela Trip - Page # 8

11. Richmond Oil Co.

Mr. Art Brown, President of Richmond, was contacted with particular regard to two wells in the Pedernales Area. He displayed keen interest in the floating method. Called in two other people with his organization and carefully listened. Requested I contact Bill Haynes in the States which I did. Appropriation has been submitted and approval expected on Dec. 11-12, '59.

Facts:

Hole depth	9-10,000'
Water Depth	10'-32'
Well protected	
Lime base oil mud	plus 10% to 15% oil emulsion.

Had previously drilled one well in this area and the cost of this well is being used to estimate present budget. We need to find out what the cost of this well was.

Took them 6 months to drill previous well to 9200'.

12. Mene Grande- Maracaibo

Mr. Hoyt Austin and Mr. Baldwin were not in.

13. Sun Oil- Maracaibo

Mr. Turner has replaced Mr. Ken Montague as head of this operation. Their thinking has paralleled ours in many respects on both methods.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Wayne H. Dean

FROM: Nolan Stewart

CC:

DATE: July 22, 1958

SUBJECT: Trinidad-Venezuela Trip. Page # 9

They desire firm propositions on both units. They are presently operating two tender types; one of Delta Gulf, one of Kerr-McGee. Estimated approximately one year yet to run on these contracts but stated this would not prevent their working with us.

Facts:

Want rates quoted by the day, less:

1. Fuel
2. Water
3. Transportation
4. Schlumberger
5. Halliburton

Will require galley for supervisory personnel and will be reimbursed thereof.

Working 3 - 8 hour tours

Using a land base which cannot be made available to us.

However, stated temporary base sites are available.

Water depth to 90'

Hole depth presently 10,000' but expect future to 12,000'.

No high pressure

Mud weight 10-11# Oil base

Casing program:

20" conductor to 350'

13-3/8" to 2000'

9-5/8" to bottom

Would like to use aluminum structure, their estimate of \$75,000 U.S. currency seems to not be too far off. McDermott charges \$200,000 U.S. in place for a tender type, single well conventional platform.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Wayne H. Dean

FROM: Nolan Stewart

CC:

DATE: July 22, 1958

SUBJECT: Trinidad-Venezuela Trip Page # 10

Weather kicks up during summer ^{"Chubascos"} "Shebascos"; winds 40-60 , waves 6-8' for very short periods (2 hrs.) and with little or no warning. They and others use 1000'-1500' of 1-1/4" anchor line and 12,000#. They usually hold. Our anchoring system will hold. The winds, rather than the waves, bother them. Winds prevail from the Northeast.

General - Venezuela

Some firm basis of approach is necessary for a Venezuelan venture. The following should be considered:

1. Change of flag and the accompanying six month time limit.
2. If vessel is placed under a Venezuelan flag, can it operate world-wide except in U. S. waters?
3. Labor costs.
4. Duties, taxes and graft.
5. Policy in Lake Maracaibo is usually for the customer to furnish transportation, fuel, water, Schlumberger and Halliburton. This will not necessarily hold in the Gulf of Paria.

ZAPATA OFF-SHORE COMPANY

INTER-OFFICE CORRESPONDENCE

TO: Nolan Stewart

DATE: August 1, 1958

FROM: George Bush

SUBJECT:

I will try to set up a meeting with Texas Co. and Pan Am for Wednesday, August 13, or Thursday, August 14. This would give you two days in Los Angeles and then you could fly non-stop to New York City and meet me there. I will call you early in the week to check this out with you.

GB:McB

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Nolan Stewart
FROM: George H. W. Bush

DATE: July 30, 1958
SUBJECT:

I am attaching a copy of a letter from A. W. Sands, General Superintendent of Drilling and Production for the Texas Company in Los Angeles. Would you contact Mr. Sands immediately by letter or teletype requesting an appointment which will tie into your West Coast visit. It seems doubtful that one of our LeTourneau barges is his answer, but perhaps we can work the Nola into this. In any case, I think it would be well worth your time to call on him. You will note that in my letter to Mr. Sands I said you would be in touch with him.

GB:JMcB
Encls.

cc: Mr. Dean

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Wayne H. Dean

FROM: Nolan Stewart

CC: George Bush ✓

DATE: July 30, 1958

SUBJECT: Texas Gulf Sulphur Company

Roy Brown, Texas Gulf Sulphur Company, called this afternoon to say he had broached our proposition of participating in their Matagorda Bay area, as well as others, to Hugh Strickland, Vice President of Operations and Chuck Fogarty, Vice President of Exploration this day. Both were enthusiastic and Dr. Fogarty indicated as soon as he got his feet on the ground in New York he would get back in touch with us to work on details.

20

NS:bj

Withdrawal/Redaction Sheet

(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01. Memo	From George Bush to Wayne Dean RE: Nolan Stewart (2 pp.)	6/26/58	C	
COLLECTION George Bush Personal Papers Zapata Oil File Business Correspondence Files				
FILE LOCATION [Inter-Office Correspondence] - Nolan Stewart (1958) OA/ID Number Date Closed 11/01/99				

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]