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OA/ID Number: 25851
Folder ID Number: 25851-007

Folder Title:
Inter-Office Correspondence - Nolan Stewart [1959- 1962]

Stack:	Row:	Section:	Shelf:	Position:
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TO: George Bush

FROM: Nolan Stewart

CC: T. J. Devine

DATE: May 4, 1962

I settled my affairs with the company today and have turned in all credit cards, travel cards and automobile to Charles Powell.

On April 30 I flew to Midland and met Tom and hand carried the memo of the 27th in order that he would be fully posted in the interim of your absence. I also discussed with him in detail the reasons behind my resignation and I do not believe anything was stated to him that you and I had not already covered. However the conversation lasted about 4 hours and I may inadvertently have touched on something you and I had not had time to pursue. If so and if in any way you feel this was not fair or appropriate please call on your return and I shall discuss it with you. I say this simply because I want our relationship to remain on an even keel.

There is attached to this memo a summation of all contractual points Pat Murphy and I have learned together which we both believe to be of extreme importance for this company to bear in mind on future contracts. The idea was Murphy's and was whole heartedly concurred with by me and the only copies in existence are the 2 enclosed for you, 1 in Pat's file and a personal copy which I have. These are forwarded directly to you because I do not want the responsibility of an inadvertent disclosure to our competition.



NS/vf

TO: George H. W. Bush

FROM: Nolan Stewart

CC: T. J. Devine

DATE: May 4, 1962

This will constitute an addendum to my memo to you dated April 27th in which we reviewed all pending work and progress through that date. Since that time we have made the floating presentation to Signal Oil & Gas here in Houston and have endeavored to wind-up the floating contract with CATC.

X SIGNAL - The presentation was well received at Signal. Their work lies from 45 - 125 ft. in water depths. They are not yet ready to plan on an immediate acquisition of a rig but promised that our invitation would be solicited at the proper time. Russ was with me on this and you can quiz him in greater detail.

N CATC - All of yesterday was spent with Jim Craig, Fred O'Leary and their group relative to 2 things: - 1. the motion picture presentation and 2. contractual windup relative to the Sidewinder. The presentation was well received. It was attended by some 20 assorted individuals including Craig, Kendrick, O'Leary and Ben Kearney who is in charge of their floating research program. Kearney is basically hostile. I think he has has a most effective job performed by the Reading & Bates crowd, however, telling factual comments were made by our side and he is sufficiently objective that if further work is performed on him I believe he will swing over to us.

Russ left to catch his plane for New Orleans before the details of the contract were worked out with Craig. Craig and I conducted these negotiations alone and I have furnished Howard a copy of the "Who Furnishes What" statement which is written, with 2 exceptions, as we would prefer to have it written. These 2 exceptions are the question of the drive hammer which I stated we did not have and the "suitable blow out preventer equipment" which is only intended to cover that which will suffice for the installation of the 10-3/4" surface casing. All other terms and conditions as to rates, etc. are as contained in my letter addressed to Kendrick of April 3, 1962.

✓ As anticipated there are little or no commitments for future work for either Nola forthcoming at the present time. They have insisted this understanding be diluted to a meaning of "if you perform satisfactorily and if we have need for a rig we will use your rig." I have stated to Craig that this was not satisfactory from our position and this led us into a discussion in summary of which I believe that you must personally deal with Kendrick regarding any kind of commitment because apparently Craig and O'Leary have not been fully posted by Kendrick as to the details of the various conversations with him. I have strongly suggested to Howard that these negotiations be left with you as to the term aspect of this agreement. Preliminary writing of the contract relative to the 24,000 ft. of hole will take place during next week and I presume that Russ will conduct these negotiations.

Page Two
George Bush
May 4, 1962

Atlantic Libya - The formal invitation to bid was received from this group after I gave them a ballpark figure of \$8200 per day. This figure was suggested by Howard as being relative to what we are now doing in Kuwait and there is a very clear understanding between Mr. Prindible and myself that we are no way bound by this figure and is specifically stated that any further commitment on our part would have to await your return from the site. The bidding date is May 25th so you will have to move on this very rapidly.

Martin Company - We have declined to bid after consultation with Howard on this project because we have nothing available within the time they would like to have it.

I wish to emphasize that any understanding or commitments made by me in these various projects have only been after detailed conversation and agreement with Howard Duke.

NS/vf



TO: Mr. Bush

April 27, 1962

FROM: Nolan Stewart

This will constitute my resume of pending work, the status of current negotiations, my recommendations for what should be done, and where appropriate, a discussion of individual endeavor.

What is status?
? ?
Dealing first with the Scorpion, it is on a one-well contract with Texaco, and Texaco has indicated that there will be other work. They have not indicated specific areas but there was a strong feeling that after the well currently drilling was finished there would be another in the same general area. Mr. Kendrick of CATC has verbally agreed to a 4-well program for this rig and the price quoted to him has been \$6000 per day plus boats and fuel. Two of the wells he has the go-ahead for, the remaining two have not been selected. One of the two approved wells he believes to lie in 90' of water and after a discussion with Hoyt it is not recommended that we attempt this well because we will be approaching the hurricane season if not already in it by the time we could start. I have tried to reach Kendrick this morning and could not do so. I have a meeting with Jim Craig on Monday, April 30 and will pursue this further.

✓ The Vinegarroon has been released by Shell-Houston and transferred to Shell-New Orleans at a day rate of \$6150 per day including fuel for the rig only. This rate excludes sample catchers, which amount is approximately \$95 per day and which we had to furnish under the Houston contract. Marine transportation is also excluded. It is my opinion, from indications by Mr. Pittman to you as well as Mr. Growden to me and to Rus, that this rig is "buried" for at least the remainder of the year. The rates quoted are not on a sliding scale and are applicable irrespective of water depth.

status.
The Nola 1 is with Pauley. Mr. Barnetche of Pemex has requested that we drill at least one well off the Isle of Lobo for Pemex. We cannot in my opinion undertake the risk of this well for Pemex without commencing in time to depart Mexico not later than September 30 due to hazardous weather conditions. You have a copy of the written proposal to Mr. Barnetche, which in essence includes all of the terms and conditions of the Pauley contract, with Pemex substituting for Pauley, those items which Pauley furnishes and we do not. I have conversed with Mr. Adame, Mr. Hare and Mr. Kerr of Pauley. It was agreed that Pauley wishes to negotiate with Pemex directly relative to the possible early curtailment of their drilling program to permit us to drill the Pemex well. As of this date, there has been no reply to my letter to Mr. Barnetche nor has there been any advice from Mr. Adame relative to this situation. We have been assured, however,

← check this
~~that Pauley wishes to use the rig through out its full term in Mexico.~~ It is, therefore, my belief that if Pauley works out a deal with Mr. Barnetche that we should go ahead and drill for Pemex provided third party items are furnished to our satisfaction and provided there is no downward revision of rates. Mr. Powell, Mr. Murphy and ourselves are in agreement that we cannot undertake the Pemex work at the risk of reopening the tax situation in 1961-62. Therefore, Mr. Adame has been advised that we would desire to do this work letting Pauley actually front the deal.

The Nola 3 - Kuwait. I remain convinced that this is a good deal for the company. Fred van Bilderbeek has stated his satisfaction with the drilling rig and our superintendent, and we appear to be having principally personnel difficulties in this area. You of course after your trip will have this in much greater detail. My thoughts on this situation are simply that irrespective of our association with Seacat, the Shell group is looking to Zapata as such, for leadership and capability in this operation. The association between Seacat and ourselves was with the approval of Shell and at their recommendation that we associate ourselves with someone to provide the local background experience. I do think we must remain on the alert and take instant action at the first indication of unhappiness on the part of these people. While I realize that some of this unhappiness may seem trivial and no doubt will be trivial, it is these small items that could cause us trouble. We have the warmest relationship between Shell-Hague management and ourselves. I am convinced this can be carried into additional areas around the world.

The New Floater - We have achieved a break-thru in design on this piece of equipment, which I believe will establish us in the forefront of floating drilling operation. Every major company has been, or will be, contacted regarding this operation prior to my departure. There has not been a single instance when we have been asked "will it work", rather the attitude has been one of acceptance and the very interested desire to see its performance. The status of negotiations with CATC for its use are as of this date entirely verbal, but also firm. The annoying item has been a reluctance to discuss the term aspect of its quarterly use per year by that group. I am hopeful of resolving this on Monday, April 30. The rate of \$4750 per day excluding boats and fuel is one on which we can make a profit with careful planning. The program for CATC for this rig is one of 24,000' of hole, all expendable, in approximately 186' of water. The uppermost thing to be guarded against in this negotiation is that we furnish only Shaffer lash up for 3,000' 10-3/4 and open hole beyond. Kendrick has stated unequivocally that there will be no completions attempted and that it will be open hole below 3,000 and that the first indication of trouble the hole will be abandoned promptly and the rig moved to a new location. Under no circumstances can we become involved with what a CATC engineering group would like to have, i. e. a complete Shaffer lash-up at the day rates presently being discussed. There has been absolutely no commitment on my part or by anyone else of this company to my knowledge for anything to the contrary. However, knowing them as we do, we must anticipate and be prepared for some "chipping away", as they like to say.

Forest Oil Company - Both John Willis in Lafayette and Pop Warner in San Antonio have seen our presentation of this rig and have approved it. They are interested only in above water completions and I am convinced they will use us as their water depth range progresses. Mr. Willis stated that they are proceeding along a line of individual block drilling rather than a sustained program. \$5500 per day plus boats and fuel have been quoted to this group and all others with the exception of CATC, causing no unfavorable reaction.

✓ Shell - New Orleans, Jack Growden and his group have seen our presentation and I believe have been convinced, They too will use us.

California Company - This group, so long as Julian Dupree remains in the saddle, will be unequivocally committed to above water completions. Mr. Dupree, Mr. Chambers and their entire group have seen the presentation, have been impressed thereby and are convinced. The thing to guard against here is Mr. Chambers wanting to lower the price. During the presentation he asked if we would absorb all weather time beyond 6 days, and I stated we would not. We have already lost too much money in an effort to satisfy these people and results of satisfaction have not been particularly apparent in our history with them. When the negotiations are entered into with this company, if they possibly can include Mr. Dupree I suggest this be done. Mr. Dupree stated "they drilled us the cheapest offshore well we have ever had with the Nola 3".

Humble Oil & Refining - Mr. McFadden and his group have seen the presentation and have been impressed. I believe that they will use us to perform above water completions where possible.

✓ The Gulf Oil Company has not seen the presentation. The Texas Company has not seen the presentation. Mobil Oil was thoroughly covered in both the address I gave before the AIME and more significantly in the private showing of the motion picture Rus arranged with Jerry Young. Mr. Young has stated that their program is not sufficiently firm to permit them to commit, but he gave no indication of not wishing to do so when his program would become final.

✓ Mr. Schaffer - Pure Oil Company. He has seen but I do not believe Mr. Schaffer remotely understood the potential this equipment holds for their work. They are partners with Ohio Oil and expect to be the operators. I do believe after they have actually witnessed the operation, they will begin to understand its possibilities.

✓ Signal Oil & Gas - Much preliminary discussion has been held with Phil Oxley and Jim West. The actual presentation will take place in Houston on Monday, April 30.

Atlantic-Libya. These negotiations have been going on over the past 8 months and have covered from top to bottom the Atlantic-Dallas management, including the general manager of the Libyan concession, Mr. Lew Adair. Until the presentation of the motion picture we had little success in my opinion of being awarded this job. From that moment the complexion changed in our favor. I will

Navy Department - Tom Devine is well appraised of all the details of conversations with the Navy. As their program progresses we will be called upon for possible "fitting in". General Motors, Philco, Martin and Sperry are all working on various techniques, one of which the Navy will choose, and dependant upon that choice will be our near term activity with them.

Belco Corporation -. We have been in length negotiations, the last a year ago, which collapsed, for their drilling offshore Peru. Their latest solicitation has been along the lines of somebody furnishing a baby LeTourneau rig that can go through the Canal. I tried to contact Robert Belfer on my last trip to New York, he was not in. This needs to be followed up in the near future. George, I suggest that you brief personally whoever contacts these people, for I do not think it advisable to present in written form some of the facts we know.

Run how about this! 4

Mobot - Since the status of negotiations and capability of this unit are well known to the officers of this company, my remarks will be confined to two overseas uses for the unit. Atlantic-Libya will be the first location I believe. This has ~~be~~ been discussed in detail with the Atlantic people in Dallas, and since they are firmly committed to on the bottom completions where possible, they readily appreciate the capability of the Mobot. Their water depths lie within the capability of the first unit we may acquire. I believe that they are in the frame of mind to readily accept its use. The amoseas project may require ones use but this is not the pressing necessity that the Libyan deal is because water depths are not as great,

George, this is all that I can think of. I am making the presentation to Signal this afternoon and will probably shoot you a resume cable before I leave. As previously discussed with you, if there is any assistance you think I can provide on this or any other job, you have only to call.

Best regards.

Nolan Stewart

NS.bb

be guided by Mr. Duke's recommendation as to price and will make a ball park estimate to Mr. Prindible in Dallas on Monday or Tuesday, April 30 or May 1. I will leave the final price negotiations until you return from Libya. If you desire I am available to assist with this contract. It is for a term of one to two years. There is, in my opinion, no other way of performing it. They do want on the bottom completions of approximately 14,000' of hole. Their water depth will range from 300 - 800' and their concession extends to a water depth of 1800'. This concession lies between the ports of Benghazi and Tripoli, in the Gulf of Sirte. Detailed weather information prepared by Glenn for Atlantic is in the hands of Mr. Taylor and Mr. Duke. We will probably wish to hook up with a local Libyan company, and possibly conduct the operations in a manner similar to that now existing in Mexico. We can probably avoid installation of any large camp for our personnel and in lieu of that, fly or drive them to the Port of Benghazi on their time off. Local labor can be used for roustabouts and I believe it important to take well trained and qualified mechanics and electricians with us.

Amoseas, 485 Lexington Avenue, New York - Vice President, W. W. Donlan, Drilling Engineer, J. T. "Jack" Stewart. The presentation was made to this group on March 28 in New York and the entire day from 10 a.m. to 6 p.m. was spent with them. They were attempting to form a combine of Shell, Mobil, themselves and Gulf, for the use of a rig on a - one to two year contract offshore Nigeria. This concession area lies 200 miles east and west of a point known as Bonney. Water depth extends 25 - 300' and a detailed weather study must be made before final commitment to this job. I have passed along the information to Jack Stewart that A. H. Glenn of New Orleans would make this study for them. They feel that the Shell group is in accord with their desire to share a rig. As of the meeting date they did not reveal to me whether or not Mobil and Gulf were desirous of such association. They were quite specific in our not becoming involved in these four company negotiations. They wish to commence the work early 1963 or before if it were possible. Much selling remains to be done here, but it can without question be done by ourselves providing follow-up is maintained. I have heard rumors that Reading & Bates is working on Jack Stewart very hard for their catamaran idea. I have discussed this with Jack and he, as well as Donlan, have stated that invitations to bid will be solicited. Stewart particularly wants to come down and witness the new floating operations and I suggest that arrangements for this be made on the Bush, Brinton, Donlan level at the appropriate time. Jack Stewart has been with these folks 12 to 15 years around the world as their principal drilling man, and if he should ever say "no" to any technique, I think that would be the end of any negotiations. However, not necessarily does his "yes" mean acquisition of the work. Jack has recently suffered a monor cerebrum hemorrhage and is now working himself back into harness. He is a "doer" and I gather wishes to pay little attention to paper work details. Whoever calls upon him can make great headway by judicious entertainment of him and his wife. All in all I found him to be a thoroughly enjoyable chap and certainly left him with ourselves in good shape.

Withdrawal/Redaction Sheet

(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01. Letter	From Nolan Stewart to Zapata Off-Shore Company RE: Personal financial information (1 pp.)	5/4/62	C	
COLLECTION George Bush Personal Papers Zapata Oil File Business Correspondence Files				
FILE LOCATION Inter-Office Correspondence - Nolan Stewart [1959- 1962] OA/ID Number Date Closed 11/02/99				

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: George H. W. Bush

FROM: Nolan Stewart

CC:

DATE: April 19, 1962

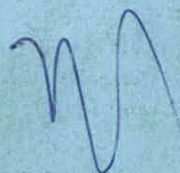
SUBJECT: _____

The following information was picked up by Russ Mosby in New Orleans.

✓ The Bluewater rig spudded in at Grand Isle Block 110 on January 26th.- Ran 13-7/8" casing at 3080 ft. cemented with 500 sx. - 9-5/8" at 4929 with 500 sx - 7" at 5658 with 500 sx. T.D. 5256. Logs were run at 3050, 4813, 4956, 5680 and T.D. Plug and abandon 4-5-62 - move rig to Block 122 West Delta approximately 300 ft. of water.

This is all the information available except that I picked up from Abbott of McDermott that they were fabricating a platform for Shell in about 280 ft. of water.

NS/vf



Nolan Stewart

George H. W. Bush

Charles Powell

April 17, 1962

We talked about the Pemex program and it appears to be much the best that we work out some deal with CINA to continue to run any deal with Pemex through them.

GHWB/vf

Nolan Stewart

George H. W. Bush

April 13, 1962

Would you please write to Prendible and ask him to advise his people in Libya that I plan to be there around May 11th - 14th. Prior to that I will be in Kuwait. I would also like to know where their base of operations will be and whether it would be worthwhile going down to Sirta. Thanks.

GHWB/vf

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush
CC: Howard Duke
Hoyt Taylor

FROM: Nolan Stewart
DATE: April 9, 1962

SUBJECT: _____

I have executed today the contract between Shell Oil Company and ourselves covering the drilling operations on Federal Block 160, Well No. 3, High Island Area.

This has not been executed prior to today as I had not been able to contact Don Leigh with reference to item 4.4 on page 6. My construction of the wording of this paragraph placed the burden of third party breakdowns upon ourselves if it related to the drilling rig. In a telephone conversation with Don this morning at 8:35, he requested we leave it as is, as it is his intent that this only cover the tugs, and since we have two tugs in attendance it is remote that both would breakdown at the same time.

Photos of the contract have previously been furnished Mr. Taylor, Mr. Rudolph and Mr. Whittington. The fully executed copy when received from Shell will be placed in Mr. Bush's contract file.

HST.bb

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush
CC: Howard Duke

FROM: Nolan Stewart
DATE: April 4, 1962

SUBJECT: _____

I spent 20 minutes with Mr. Bailey this morning reviewing the sea-plane derrick barge proposal you spoke about. This unit is owned by a Mr. Fletcher and apparently by Mr. Gibbs, both formerly associated with Gibbs Shipyard in Jacksonville.

I have not had time to analysis the proposal he submitted to us in any detail, but it appears we might find a use for this equipment in setting anchor for floating equipment. It would probably have other uses and we shall progress as to what they may be in the near future. Mr. Bailey states Mr. Fletcher's asking price is \$80,000 and that "some work" must be done on the equipment to make it suitable for operation. It does, however, have a length of 104', a beam of 30', molded draft of 7', and is self-propelled with twin screw 500 h.p. engines on each screw. The crane is supposed to have a 32 ton capacity with a reach of 20' over either side. This is good. Will follow up.

.....

Also met with Mr. Schaffer and Mr. Harry Wells with Pure Oil yesterday afternoon and showed the film of the new floater, together with our pitch as to its use. They believe they would have one location in 185' of water, West Delta area, toward the tail end of the year. I dropped a \$5500/day price on them, Schaffer laughed and made some remark to the effect "you contractors must be getting together", I asked whey and he said that was the same as the Reading & Bates quote. I remarked that he should double check what is being furnished respectively, and he readily agreed that he had not done this.

I am off to Dallas for a meeting with Atlantic this afternoon, to New Orleans tomorrow for a meeting with Shell and Humble, and the 6th to Lafayette for a meeting with Mobil and Forest, all with respect to the floater. Incidentally, Alex Massad has been transferred to Canada, his slot in Lafayette is being taken by Jerry Young, who Russ feels to be a good and close friend of his. I feel that this could not but assist the contracting industry.

NS.bb

Nolan Stewart

George Bush

March 21, 1962

I talked to Mr. Stewart of Amoseas today and he asked that you call him Friday to set up a meeting for Monday or Tuesday of next week.

GHVB/vf

REPLY-MEMO RM-87

SEND WHITE &

COPIES INTACT. WHITE COPY WILL BE RETU

WITH REPLY.

TO

Noland Stewart

FROM

Russ Mosby

ZAPATA OFF - SHORE COMPANY

1701 Houston Club Bldg.

HOUSTON 2, TEXAS

SUBJECT

Results of the March 13 Sale Bureau of Land Mgmt

DATE

March 19 1962

MESSAGE:

Here are the Official results of the sale last Tuesday. The results of the Sale Friday should be out by Wednesday and I will forward a copy to you then. We should plot all of this new acreage on the USGS map in order to determine water depth etc. The BLM and the State have accepted our bid on Blk 104 Vermilion tentatively. The Federal will meet today to ratify the sale and Mr. Rankin does not expect any rejections from the Friday Sale.

ORIGINATOR-DO NOT WRITE BELOW THIS LINE

REPLY TO →

SIGNED

REPLY

DATE

SIGNED

SEND PARTS 1 AND 3 INTACT-PART 1 WILL BE RETURNED WITH REPLY

RM-87

RETURN TO ORIGINATOR

REPLY-MEMO RM-87

SEND WHITE &

COPIES INTACT. WHITE COPY WILL BE RETU

WITH REPLY.

TO

George Bush

FROM

ZAPATA OFF - SHORE COMPANY

1701 Houston Club Bldg.

HOUSTON 2, TEXAS

Russ Mosby

SUBJECT

March 13 Lease Sale O C S Bureau of Land Mgm't

DATE

March 15 1962

MESSAGE:

The total Spent before rejects \$177,986,887.30

Some w124,000,000.00 was bid but not spent and should be available for the sale Friday.

526 Bids were submitted and 217 were successful total offered 401.(tracts)

Note Gulf bid of 14,000,000 plus in 200 to 250 feet of water.

There is no question in my mind here that we are in for a great amount of work for all the rigs plus what we may build in the future at least for the next five years solid.

Regards// RCM

ORIGINATOR-DO NOT WRITE BELOW THIS LINE

REPLY TO →

SIGNED

REPLY

DATE

SIGNED

SEND PARTS 1 AND 3 INTACT-PART 1 WILL BE RETURNED WITH REPLY

RM-87

RETURN TO ORIGINATOR

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. George Bush

FROM: Nolan Stewart

CC: Mr. Porter Brinton
Ponce de Leon Hotel
St. Augustine, Florida

DATE: March 19, 1962

SUBJECT: _____

You were in receipt of a letter this morning from Mr. Brinton with a carbon copy to me regarding a call from Mr. Charles Elder of American Overseas Petroleum. I spoke with Mr. J. T. Stewart of AOP at 2 p.m. this afternoon, agreeing to meet with him in his office on Thursday the 22nd to discuss the Nigerian drilling problem. He states that his locations are outside the break-water, sea conditions 0 - 3' 60 per cent of the time, 3 - 6' 30 per cent of the time, over 6' somewhat less than 1 per cent of the time; however, his mathematics do not jibe so will clarify this with him in the meeting. Water depth is 40', other concession holders are Gulf, Shell and Mobil. It is with this group they are attempting to form a combine to share the use of a drilling rig.

NS.bb

W

**ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE**

TO: Mr. George Bush

FROM: Nolan Stewart

CC: Tom Devine

DATE: March 19, 1962

SUBJECT: _____

George Forbes of Martin Company and I met with Vince Prestipino to discuss the Autec program with the Navy on Friday last. It quickly became apparent that Prestipino and Captain Cassidy are far more interested in Zapata and what we could do for them than they are in Martin. As mentioned in a previous memo, Martin, Philco, General Motors and Sperry are bidding on the various phases of this contract. Prestipino seems to feel that the General Motors array would probably be more suitable and emphatically stated that if this is the case the Navy would not permit General Motors to install this equipment as they have presently proposed. He then pointed to our brochure and said, "We want a man rather than a boy, to do a man's job".

They are particularly interested in the mobot, but this will not fall under Mr. Prestipino until such time as the Navy makes the selection as to what array they are going to use. This is expected in late summer. I then called on Commander Frank Harmer, who would have an immediate need for the mobot, and he requested that we again meet with him at our earliest convenience to discuss the mobot being prepared to state the maximum water depth we could operate in and the approximate cost. Harmer did not give me any details because of my lack of security clearance, but when I mentioned that Mr. Devine, I believed, had satisfactory clearance, he stated that he would be very much interested in talking to us in the near future. I would like to discuss this with you further on Wednesday.

NS.bb

Back to

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush

FROM: Nolan Stewart

CC: Howard Duke
Hoyt Taylor
Charles Powell
Pres Bush

DATE: March 13, 1962

SUBJECT: Pauley cargo, Halliburton, Schlumberger insurance

In a conversation held at 10:37 this morning between myself and Adame, Mr. Adame confirmed that they are placing all insurance relative to their cargo and the Halliburton and Schlumberger units, and would advise their under-writers to give Zapata a waiver of subrogation with regard to the above items. ✓

In this same conversation Poncho advised that they had nominated six locations for us to drill, 5 of which have total depth requirement of 3500 meters and 1 of 3200 meters.

Nolan:

- W*
- 1. Please ^{have Adame} confirm by accepting a letter from you that we will not be liable for any reason for Pauley's cargo, Hal, or Schlumberger.*
 - 2. How many such wells did we drill last year.*
 - 3. Please speak to me about Gabriel*

*Rewriter
3/14/62
W*

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush
CC: Tom Devine
Howard Duke
Hoyt Taylor

FROM: Nolan Stewart
DATE: March 13, 1962

SUBJECT: Meeting with Martin Company, Baltimore, Maryland, 3/8/62.

George Forbes and I had another all day discussion concerning how we could jointly fit into various programs the Navy is concerned with. There are four of these programs broadly speaking. One is the Autec study, one concerns underwater tracking systems, one concerns Sonar test ranges, and lastly the sub-marine navigational systems.

Lockheed has the basic Autec study award. Under the underwater tracking system program the following companies have the following tasks:

- ✓ a. Martin Company - taut wire array
- ✓ b. General Motors - 3-D tracking system
- ✓ c. Philco Corporation has to put Hydra-phones on the bottom
- ✓ d. Sperry Corporation - the assignment is unknown at the moment.

A and B above have installed and are testing the prototypes of the devices and this work was conducted under the auspices of the Navy Underwater Ordinance Station at Newport, Rhode Island. Both Martin and General Motors have experienced difficulty in their arrangements, particularly with the laying of the installations of the systems.

The specific item discussed with Martin has to do with their having been awarded the study as well as the experimental installation of the submarine navigational system. The problem is to install a series of black boxes in a water depth of approximately 6000 ft. The first box will ^{have} be attached to one side of it approximately 30 miles of cable which must be led back to shore. We will call this box #1. Box #1 is connected to box #2 at a distance of approximately 8 miles, box #2 to box #3 at a distance of about 8 miles and then a lead from box #3 back to box #1 of about 16 miles is necessary.

Meeting with Martin Company
Page 2

The Navy needs to know the precise location and attitude of each box. We can do all of this using the Nola and the drill pipe lowering technique. In addition to all of the above George Forbes "caught fire" at the additional capability of recovery of the boxes and inspection of them by using our Mobot. The idea of using the Nola as a complete floating base in his opinion will also have great appeal to the Navy. It appears they would like very much to have the capability of making underwater "plug in" electrical connections without having to raise the box, as well as precise inspection of the connecting cables, all of which I pointed out could be accomplished by ourselves and the Mobot. An additional obstacle thus far has been the inability to carry great lengths of this cable on any single vessel currently available. At this moment (2:50 p.m. March 8) our engineers have come up with a Nola capacity of at least 134 miles of cable and by 5 p.m. this afternoon we expect to have this increased by quite a bit. During the Thursday meeting I informed Forbes that I thought we could carry at least 200 miles of this cable and after he had mulled over our overall capability he picked up the phone and called Mr. Prestipino with the Navy in Washington, requesting an appointment for us as soon as possible. Prestipino suggested Monday the 12th or Friday the 16th and I elected to take Friday, March 16 as this would give us more time to clear up the details. Therefore, we jointly decided that in the Friday meeting we will endeavor to persuade the Navy to make use of our overall capabilities and to make the Nola the "master ship" for any underwater programs they may need to have accomplished. Forbes believes this is possible and I certainly think we can make a very attractive suggestion to the Navy. Thus far no prices have been discussed, nor are any intended to be discussed if they can be avoided on the Friday meeting.

The question will come up of how we moor the Nola at these deep water locations, with sufficient time to allow the installation; ~~required~~ I believe this can be expeditiously accomplished with a fore and aft moor (one each) using nylon line and a conventional anchor. I am meeting with Gar Hole of Columbian Rope Company and Vince Sheehan, the Navy's mooring expert, on Thursday at the Boston Navy Yard, to pursue this.

*Stu Cragin
Navy Community*

I would appreciate your assistance in locating the appropriate persons in charge of the work for General Motors and for Philco. I have been given the name of James B. Casler, 4700 Wissahickon, Philadelphia with Philco. I have not talked to Mr. Casler. I would appreciate your developing a high level contact with both Philco and General Motors that we could pursue.

Martin is concerned that precious little work can be obtained from the Navy Underwater Ordinance Lab. without the participation of a firm named Marine Acoustical Service, Inc. of Miami. There is some tie-in between Mr. Stan Creapo and the Underwater Lab. Forbes is convinced that the Miami concern is not good enough to warrant such a close association.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush

FROM: Nolan Stewart

CC:

DATE: March 6, 1962

SUBJECT: _____

As discussed with you yesterday, Pauley, if awarded the 5 kilometer locations will be in need of a mobile rig, whose water depth capabilities exceed ours, for year round operation. I talked to Jim Storms and without disclosing the location, he is more than willing to work with us, probably in any manner we desire. I asked him to give the matter his attention and let me know in twenty days an outline of the possibilities as he sees them.

This needs to be kept with as little publicity as possible as I believe we can negotiate the contract with Pauley rather than having to bid, if and when it comes up.

Jim affirmed that their leasing arrangements on Mr. Gus had been completed.

NS, bb

NS

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush

FROM: Nolan Stewart

CC: Mr. Duke
Mr. Powell
Mr. Taylor (3)

DATE: March 2, 1962

SUBJECT: Committment conference Shell Oil - Don Leigh
re Vinegarroon

I met with Don yesterday afternoon, 3:30 to 4:25, and committed the Vinegarroon to them on the basis of the telegraph bid we made in the Block 391 Area. This first well is in the Den Area, water depth approximately 52 ft. and we are to move to their location immediately after finishing the Union location. Shell will pick up the moving rate to their location plus the cost of tugs.

He remains optimistic concerning future work but he strictly has only one well available at the moment. This is planned to be a 14,000 to 15,000 ft. wildcat.

I reviewed the general water depth picture with him and we agreed that should we wish to substitute the Scorpion for the Vinegarroon at a later date that he would entertain such a switch. He did not agree to such a change but did say that he would entertain it if we brought it to him. He obviously feels that the Vinegarroon is a better unit than the Scorpion.

Either a telex or a letter confirming this will be sent to us today.

It was interesting to note that our brochure was the only one visible in his bookcase.

NS.bb

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush, Mr. Duke, Mr. Taylor, FROM: Nolan Stewart
CC: Mr. Rudolph, Mr. Whittington, Accounting DATE: February 20, 1962

SUBJECT: Union of California

We have committed to drill Union of California's well in Vermilion Block 35 to a depth of 10,900' under the following conditions.

✓ Move in lump sum	\$4200
✓ Operating rate	5000
✓ Without drill pipe	4950
✓ Stand by waiting on orders	4750
✓ Stand by without crews, to be negotiated with any savings we can effect to be passed on to Union of California.	

✓ The water depth is 28'. The contract is being written by Union in Houston and is to be placed in the mail to me tonight. Mr. Iron Lafarge, Telephone area code 318, Telephone number Twinbrook 33532 is the offshore district superintendent for Union of Louisiana and will be the man in charge for them. Mr. Taylor is co-ordinating with Mr. Lafarge this date. There is a possibility of another well for these folks in Block 291 West Cameron 48' water depth, but we have to wait further developments on their part before knowing that we have this additional well.

All of the above rates are plus boats and fuel.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush
CC: Howard Duke

FROM: Nolan Stewart
DATE: February 2, 1962

SUBJECT: _____

Matt Gormley believes that we could acquire a rig presently insured for greater than we could pay, put it under our existing fleet policy for the acquisition price. I gave him sufficient details to satisfy his judgement.

NS.bb

[Handwritten signature]

[Handwritten mark]

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush

FROM: Nolan Stewart

CC: Mr. Duke

DATE: January 26, 1962

SUBJECT: Diving Rates

Gulf Coast divers generally work on the following basis:

A base charge of \$125/ 8 hour day to 50' of water depth. Beyond 50' the rate increases one dollar per foot. The deepest quote given me was for 285' work time 17 minutes per day.

Negotiated reductions can be achieved if three shifts of divers are required or used. Thus, it would seem that if we used around-the-clock services the rate would approach those quoted by Signal.

This information did not come in until 10 a.m. January 26, and we have placed a call for you in L. A. to relay it.

Nolan 

NS.bb

Nolan Stewart

George Bush

December 11, 1961

Please check with Joe Safford on some comments that he heard about how they plan to do the floating drilling in Lybia. Someone there told him that they currently preferred the Global thru the center since the Nolas had not performed satisfactorily offshore Texas. We probably need to do some clarification up there with Atlantic.

CHWB/vf

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Nolan Stewart
CC: Charles Powell

FROM: George Bush
DATE: December 6, 1961

SUBJECT: Renewal of Hull Coverage

Following up on your call, Pres called me this afternoon. J&H checked the London market through Southern Marine. They then went direct to the London market through Willis Faber & Co. and finally they checked the domestic market. In view of our unfavorable loss ratio the best that was offered was to leave the rates the same this year on the same coverage as last year. I have asked J&H to go back and get some indications on the following.

1. What would the rates be if we increased the deductible up to \$200,000.

2. What would be the difference in premium and rates if instead of taking our \$3 million and \$3.75 million on the big barge we reduced it to \$2 million and \$2½ million. J&H will report back to us on this next week.

Incidentally they tell me that Dixilyn had \$100,000 loss this year. Do you know what this one was.

CARLA 14' SIDEWAYS 16' DOWN
IDENT LEB.

24

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush

FROM: Nolan Stewart

CC:

DATE: December 6, 1961

SUBJECT: _____

Holly called at 4:00 PM this afternoon to say that they are making up next years exploration schedule today and that the Scorpion name was alongside at least 8 wells and that the list was not complete as of the time he saw it. As to the immediate 60' well he had no further information except his personal belief it was a cinch.

There is a long recording that I wish you would listen to in the morning regarding the 104 from Sterling. On the chance that you might desire this tonight I have left the machine in the play-back position.

Nolan Stewart

George Bush

Charles Powell

December 6, 1961

Renewal of Hull Coverage

Following up on your call, Pres called me this afternoon. J&H checked the London market through Southern Marine. They then went direct to the London market through Willis Faber & Co. and finally they checked the domestic market. In view of our unfavorable loss ratio the best that was offered was to leave the rates the same this year on the same coverage as last year. I have asked J&H to go back and get some indications on the following.

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Incidentally they tell me that Dixilyn had \$100,000 loss this year. Do you know what this one was.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush

FROM: Nolan Stewart

CC:

DATE: November 13, 1961

NS

SUBJECT: _____

I called Murphy this morning with reference to the status of the mortgage agreement and note on the Nola 3.

He is out of town until Wednesday evening or Thursday morning. I will follow up at that time.

NS.bb

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush

FROM: Nolan Stewart

CC: Howard Duke
Rus Mosby
File

DATE: November 2, 1961

SUBJECT: _____

At 4:00 p.m. November 1st I spoke with Rus relative to Mr. Killam's call from Texas Gas Exploration this morning. He is completely certain that those people are aware in Lafayette that we are not committed and have never offered a firm commitment as yet on this Moss Lake Farmout. I requested Rus to call either Furse or Mills and have them set Mr. Killam straight on the matter.

NS.bb

NS

Nolan Stewart

George H. W. Bush

November 1, 1961

I talked to Roy Lay today. He is going to check with Mr. Joe Johnson, Secretary of Aramco. Mr. Johnson just returned from the Persian Gulf. He says that he or Mr. Johnson will contact us by mail or phone. He suggested that the man to see was Paul Arnot, Senior Vice President of Aramco at Dhahran. Mr. Arnot has recently been promoted to this position which is second in the entire company. He did not know off hand about Aramco's plans for underwater completion.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. George Bush

FROM: Nolan Stewart

CC:

DATE: October 26, 1961

SUBJECT: _____

J. G. McCorkle and Doyle P. Spell from Marsh & McLennan called on me Tuesday afternoon. I instructed McCorkle to submit in writing to me the specific questions he would need answers to in order for him to submit a proposal.

McCorkle does not impress me.

NS.bb

*McCorkle had talked to Tooley
about my letter -
OS*

OPR NY 1-2924

OK

NY 1-2924 T OK HOTEL ROOSEVELT GAPL

WOULD LIKE 1 SINGLE ROOM FOR LATE ARRIVAL SUNDAY NIGHT NAME
HOWARD C DUKE CAN U CONFIRM
ZAPATA OFFSHORE CO

GA

MINPL

HAPPY TO CONFIRM RESERVATION FOR HOWARD C DUKE FOR ARRIVAL OCT 29
HOW LONG WILL HE STAY AND WHERE IS HE FROM GA
WILL STAY SUN NITE AND POSSIBLY MONDAY HE IS FROM HOUSTON TE XAS
GA

THANK YOU END KE

ENDVF

Nolan Stewart

George Bush

September 28, 1961

I need a picture of the National Tube Coating plant for our Annual Report. Perhaps Sam Drake took some. If not could you arrange to have Art Meyer go over and take a couple of shots of the plant. It would be good if he could get one showing the NTC sign. I need these just as soon as possible.

GNB/vf

TO

MR BUSH

FROM

N.G.

SUBJECT

TRIP INS. NOLA 1

DATE

9/25/61

MESSAGE:

TRIP. INS. IS REQUIRED FROM ~~THE~~ MEXICO TO
GALVESTON + WAS PLACED TODAY WITH GORMLEY
OF ZTH. RATE MAY BE LOWER THAN THAT
CHARGED GOING DOWN.

ORIGINATOR-DO NOT WRITE BELOW THIS LINE

REPLY TO

SIGNED

REPLY

N.G.

DATE

SIGNED

SEND PARTS 1 AND 3 INTACT-PART 1 WILL BE RETURNED WITH REPLY

RM-87

ORIGINATOR'S COPY

ORIGINATOR DETACH AND FILE FOR FOLLOW UP

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: George H. W. Bush

FROM: Nolan Stewart

CC: H. C. Duke

DATE: September 22, 1961

SUBJECT: _____

I spoke with George Forbes of Martin, Baltimore, a few moments ago relative to our contacting someone in Washington in an effort to negotiate the ASW phase that they are now working on. He thought that it was an excellent idea, suggested that we make a joint confrontation and will call on Monday after he has huddled with his management relative to which, admiral or civilian, etc., will be the best person to see.



NS/vf

Nolan Stewart

G.H.W. Bush

September 12, 1961

Set out below is the definition of significant wave height furnished us by Shell.

The significant height is defined as the average of the highest one-third of the waves recorded at a certain location during a given interval of time (usually about 20 minutes).

CHWB/vf

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: George H. W. Bush

FROM: Nolan Stewart

CC: Howard C. Duke

DATE: August 22, 1961

SUBJECT: Martin Company - Electronics Division - Baltimore 3, Maryland

Sounds like you might have hit pay dirt on this one. I spoke with Robert Bonner, operations manager, ASW Electronics Division of the above company, telephone MU 73800, ext. 7866. They are looking extremely diligently for equipment capable of setting black boxes on or near the ocean floor. He asked that I send him the pertinent details of the Nolas and then wishes to see me after the Labor Day holiday. He says they will have need of this equipment, if it can be made to work for them, within this year. His associate is Mr. W. A. Stricker, manager of procurement, Electronics Division, code F-3093. Mr. Bonner's code is G-3104. A Mr. Forbes can be spoken to in lieu of Mr. Bonner.

Will follow up on this.

GHWB/vf

c Nolan Stewart

George H. W. Bush

August 21, 1961

When you get back here are a couple of things that have come up during my talks with Figart and others about our deal, they all apply to the "Equipment Exhibit -- Description Nola 3".

1. How many collars are we required to furnish.

2. The blow-out preventer set up on this exhibit does not jibe with the "who furnishes what" statement. Apparently we have to buy a remote control unit and also I am sure you are aware that the sizes do not jibe. Apparently we will have to furnish

- 2 - 12" Type F, 1500 series (one we will purchase, one is now on the Nola 1)

- 1 - 12" Hydril, 1500 series, now on Nola 1

We now have on the Nola 3 -

- 3 - 10" QRC's, 1500 series and 1 Hydril.

3. Figart thinks our anchors are not 3500# Kite anchors. He thinks they may be 1500#.

4. There are some description differences on the electrical system.

GHWB/vf

Telefax

WESTERN UNION

Telefax



D CDU123 WUD70 NSP852 13 PD INTL FR=

CD SGRAVENHAGE VIA RCA 3 1125=

1961 AUG 3 AM 7 21

ZAPATA= HOU=

BUSH TALKED MONTY MEETING ME TONIGHT HERE STOP WILL
ADVISE=

NOLAN=

1961 AUG 3 AM 8 52

TDW

8-2-61

ZAPATA OFF-SHORE COMPANY

NOLAN STEWART
GRAND CENTRAL HOTEL
THE HAGUE HOLLAND

LONG DELAY ROME TELEPHONE STILL HAVE CALL IN
ONE 1000 HP PUMP AND TWO SUITABLE ENGINES COST
150,000 INSTALLED.

BUSH

1000 - 150,000

Nolan Stewart

George H. W. Bush

August 2, 1961

Insurance Rates for Persian Gulf - Kuwait

Johnson & Higgins advised today that they have been quoted the following rates:

1. Operating rates on the hull and P&I. $3\frac{1}{2}\%$ on 80% of \$839,000 and $2\frac{1}{3} \times 3\frac{1}{2}\%$ on 20% of \$839,000. This figures out to be an annual premium of \$ 25,025 or \$ 68.56 per day.
2. Special liability insurance. On \$1 million coverage with a \$25,000 deductible a lump sum premium of \$8,500 per year or \$23.28 per day. This coverage only applies when the damage to the well or the equipment on the well is caused by the Nola bumping into the well head. The coverage here is the same as that outlined in John & Higgin's letter to you on the Gabon deal.
3. Cost of control insurance. We should also carry cost of control insurance and it is available as follows:

\$1 million coverage with a \$25,000 deductible plus an additional deductible equal to 10% of the loss. The price on this insurance is 15¢ per foot and the insurance is payable only if the Nola knocks into the well. For example, if it took \$500,000 to get the well under control we would first deduct \$25,000 and then we would have an additional deductible of 10% of \$475,000 or \$47,500, making a total deductible of \$72,500.

Regarding the cost of control insurance if we drill 4 - 8000 ft. wells and 2 - 10,000 ft. wells or a total of 52,000 ft. of hole in one year this will generate a premium of \$7,800 per year or \$21.37 per day. Adding all these insurances together the daily charge will be \$113.21.

GHWB/vf

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Geo. H. W. Bush

FROM: Nolan Stewart

CC:

DATE: March 3, 1961

SUBJECT: American Research & Development Company

I arrived Boston Monday afternoon, set up the exhibit Tuesday morning and then followed the schedule shown on the agenda through Wednesday.

Thursday morning I flew to New York, called Continental, Aramco and met with Pres Bush and Mat Gormly and then caught the afternoon plane back to Houston.

Needless to say the A.R.D. meeting was very interesting. I met General Doriot early in the game and chatted with him on three different occasions. Mr. Hoagland of Aramco was very kind in introducing me around to some of the people I had not previously met.

The private dinner held Tuesday night, I was seated at the same table with Senator Flanders and Dr. Herow of GeoTechnical, Inc. of Dallas. Dr. Herow is on the committee for the Mohole and stated privately that he did not have faith in the way the Cuss group was proceeding on this initial part of the project. I reassured him of our continuing interest and the fact that we were watching what was going on very closely, and I dropped sufficient news of the carrier test on him to alert him. He said that he wished to be kept very closely posted on the new project and in turn would see that we were kept well informed of the current test.

Senator Flanders stated that he had not had the opportunity to meet you but that he considered your father one of his dearest and closest friends and asked me to give you his regards.

A.R.D., this year at least, is very strongly oriented towards romance industries; namely, electronics and radar equipment. They have apparently done very well and will be going on the New York Stock Exchange within the next two weeks.

General Doriot handled the two press conferences which were held in an all-together humorous and frankly factual manner. One point of

March 3, 1961

interest particularly in his address was the way in which he handled the fact that some of the associated companies had had radical personnel changes. He apparently wanted to set at ease any of the stockholders apprehensions in this regard. He did so by frankly stating that in the formative years of a company, a company needed more than anything else a strong central figure at it's head, but that quite often as a company progressed, it was impossible for such strong people to adapt themselves successfully to the remaining phases of a company's growth.

He has a very tender place for Mr. Hoagland and Camco in his general thinking referring to them indirectly as having been extremely successful in a depressed industry by the vision, imagination and foresight to plan ahead and then do something about their plans.

We were totally neglected insofar as having any mention made of us or any request made of us to do or say anything special. I did not feel that General Doriot should - if he in fact is - unaware of the progress we feel that we have made in one of these so called depressed areas, so I took the opportunity to catch him alone and walk up and down the exhibit room with him and bring him up-to-date on our progress and our continuing confidence and some idea of what the future held. He could not have been kinder in listening and he started off by saying that he was well aware of what we were doing and that he was proud of us.

I brought back the available data on various companies which I thought you might be interested in seeing.

Miss Rowe, Richard Stewart and John Shane were particularly helpful.

While at the meeting, Mr. Theodore Patterson called and requested an opportunity to meet with me. We arranged to have lunch and I should like to discuss this with you in greater detail later.

Mr. Lester Smith of the Wall Street Journal, Eastern Division, requested and received an interview and he states that this should be published in about a week. He was well armed with the facts of company operations in 1960 having them on a small card readily at hand.

There is one firm, Cordis, a medical manufacturing group in Miami, Florida which I wish to discuss with you personally.

I appreciate the opportunity to sub for you and enjoyed every minute of it.

NS:dlp

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Geo. H. W. Bush

FROM: Nolan Stewart

CC: Mr. Howard Duke
Mr. Ian Figart

DATE: February 23, 1961

SUBJECT: _____

In an effort to keep our skirts generally clear between California and Tennessee, the following action was taken this morning after thorough and complete discussions between Figart, Duke and myself.

I called Jack Ray and told him that we had tentatively committed the rig to another operator for a three well deepwater program. I stated that I wanted to find out a little more information on his setup before I went back to the three well people and made an effort to pull off of that.

Conclusion of this discussion was that Ray is very interested in our doing his work and we have a definite commitment from him. He would like for us to do his work first but he agreed that I might pull off and do one well prior to coming to him. It was agreed that we would let him know something definite not later than Tuesday, the 28th February.

I previously talked to Jess Chambers who stated that the first location of his was also in 70 ft. of water, it would probably be a replacement for his existing rig, which is company owned, and that he felt that it would be a 1405 hole and last quite a while. He still states that it is a three well program and in view of this, we left it with him that we would go back to the other people we were contacting and let him know. He did state that if we did not wish to go ahead with his work, it would be alright with him. In other words, we would be free agents. I told him however, that insofar as we were concerned at the present time and through Tuesday, that he could consider that we would go ahead and go to work for him.

After these conversations between Tennessee and California, Figart, Duke and I huddled again and decided to do the following: (1) That if California actually committed to a three well program and at least one of the wells was in deep water, we would prefer to go to them provided they would agree to the fifteen days Ian feels necessary to make repairs on the Scorpion.

As of this dictation 12:35 a.m., February 23rd, I have not talked to

Jess Chambers to drop this fifteen day time period on him. I intend to do so this afternoon.

Paul Baash of the California Company called this morning expressing their interest in joining us in the under water General Dynamics program. He had received your letter and was in general trying to bring himself up-to-date on the current progress of the work. I informed him that Mobil and CATC were definitely interested and that Humble had also indicated an interest in joining but that I personally was not as sure of Humble as we were of the other two.

I left it with him that he would check through his organization early the week of March 1st and be prepared to talk again with us the end of that week regarding setting up a definite program.

NS:dlp

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush

FROM: Nolan Stewart

CC: See below

DATE: July 24, 1961

SUBJECT: _____

Enclosed are the respective photostats received from David Taylor Model Basin and the Dutch Test Tank relative to the testing of the Levingston-type drilling unit.

After I have had a chance to discuss these letters with those concerned, we shall make a formal recommendation of which tank to use, together with its cost estimate.

NS.bb
Enclosures

cc: Mr. Duke
Mr. Figart
Mr. Taylor
Mr. Bob Fogal
Levingston Shipyard
Box 411, Orange, Texas

DEPARTMENT OF THE NAVY
DAVID TAYLOR MODEL BASIN
WASHINGTON 7, D. C.

IN REPLY REFER TO
9021
(588:MDB:eg)

19 JUL 1961

Zapata Off-Shore Company
1701 Houston Club Building
Houston 2, Texas

Attention Mr. Nolan Stewart

Gentlemen:

This is in reply to your letter dated 27 June 1961 requesting time and cost estimates for the Model Basin to investigate certain characteristics of a floating mobile drilling unit while anchored in water depths up to 300 feet. The investigation is also to include the effect on the unit of a failure of one of the mooring chains.

The problem as outlined in your letter may require a rather broad testing program, the exact extent of which could only be determined after some preliminary results become available. Therefore, it is not possible at the present time to provide a firm cost and time estimate for the overall program. Because of the uncertainties of the requirements of the program it will be necessary to perform the work on a cost reimbursement basis.

As a first approach to the problem, the Model Basin proposes to construct a 1:120 scale model of the drilling platform and test it in the one-tenth scale Seakeeping and Maneuvering Basin. The tests would be made in head and beam seas in a 15 sec period wave of 20 foot height for three depths within the range of 100 and 240 feet, the latter being the maximum obtainable in the above facility for the proposed scale ratio. One chain type and one chain array (3 lines) with two initial tensions in each of the lines will be used in the tests. The entire array will be contained within a 3900 by 2450 foot rectangle.

The force due to a 52 knot wind will be estimated and the scaled load applied to the centroid of an area equivalent to that of the full scale superstructure. The rough water tests will include this load acting simultaneously and in the same direction as the waves.

Measurements will be made of the movements in the horizontal and vertical planes of a point on the drill unit simulating the rotary table so that its displacement in relation to a stationary point may be determined for the above given sea and mooring conditions. Tensions in the representative model anchor chains will be recorded in order to determine the maximum forces induced by the wind and waves. In order to determine the effect of a chain failure, the most heavily loaded chain will be severed while waves and wind are acting and the results on the overall movement of the rig measured.

9021

(588:MDB:eg)

It is estimated that completion of the work outlined above can be accomplished for \$17,500. The estimated time is 50 work days; however, preliminary data can be made available shortly after completion of the tests.

Should the Model Basin's program be satisfactory to you, additional design information such as displacement, weight distribution, etc will be required before model construction can be initiated.

In the event that you are not familiar with the terms of our cost reimbursement type contract, it is understood to mean that the proposed services will be performed and their cost including labor, material and overhead will be charged against the initial deposit made by the sponsor. If the actual cost exceeds the estimate the sponsor will be requested to deposit additional funds to cover the revised estimate. If the actual cost is less than the estimate, the balance will be refunded to the depositor upon completion of the work.

If you have any questions regarding the estimate or proposed program please do not hesitate to contact us.

Sincerely yours,



J. A. OBERMEYER
Captain, USN
Commanding Officer and Director

NED. SCHEEPSBOUWKUNDIG PROEFSTATION

H. AGSTEEG 2 - POSTBOX 28 - WAGENINGEN

Telefoon:
0 8370-2391 en 3192

Telegram-Adres:
Modeltank

Bankrelatie:
Ned. Handel Mij., Wageningen

Girorekening:
Wageningen 856343

Datum: 6th July 1961

Onze ref.: Z/Rij/vM

Uw schr.:

Uw ref.:

Zapata Off-Shore Company,
1701 Houston Club Building,
HOUSTON 2, Texas
U.S.A.

Re: Tests in waves with a model of a Wye type floating
mobile drilling Unit.

Gentlemen:

We acknowledge with thanks receipt of your letter of June 27 and in reply we are giving our test proposal and cost estimate as follows:

Tests

The tests in waves will be carried out with a model to scale 50, complete with superstructure and anchor chains, over a range of six wave lengths (shortest wave 250 ft, period 7 secs, longest wave 1150 ft, period 15 secs) and four wave directions (viz. 180°, 120°, 60° and 0°). A range of wave lengths will indicate the wave length in which resonance occurs. The indicated wave directions are in our opinion important because of the special shape of the floating pontoon.

In the first stage of the program, the influence of the water depth will only be investigated by changing the depth of the point of attachment of the anchor chain and its length. The winddirection in the tests will always be the same as the direction of the waves.

With regard to the dimensions of the anchor chain, we propose to carry out the tests with chains, which reproduce the full scale weight of a 57 mm (2 1/4 in.) diameter anchor chain, weight 73 kg/m = 10.1 lb. per ft.

The results of the tests will permit the calculation of the definite dimensions of the anchor chain.

Some tests will be repeated with one chain omitted, to investigate the effect of the number of anchor chains on the behaviour of the pontoon.

The relative lateral and vertical motions of the rotary table will be measured together with the rolling and pitching motions of the pontoons and the tensions in the anchor chains at the point of connection to the model.

The size and number of anchor chains can be determined according to the test results.

By means of a resistance test the towing speed of the pontoon in smooth water, using a 2000 HP tug, can be estimated.

Cost estimate

Manufacture of model to scale 50, with superstructure and anchor chains, approx.	<i>\$ 1400</i> Hfl. 5000.-
Reproduction of weight distribution and preparation of the test set up (wind and water depth) approx.	<i>\$ 840</i> Hfl. 3000.-
Tests in waves (6 wave lengths, 4 wave directions and 3 water depths) in total 72 tests, per test Hfl. 440.- (setting of wave generator included)	<i>\$ 8874</i> Hfl. 31680.-
Film of the most important situations, approx.	<i>\$ 280</i> Hfl. 1000.-
Still water resistance test	Hfl. 221 790.-
Total approx. :	Hfl. 41470.- <i>\$ 11616.24</i>

Schedule

The model can be completed about 3 months after receipt of your order and/or the necessary drawings. The tests can be completed in 3 weeks.

The weights of the different parts of the construction must be known for reproduction of the weight distribution on model scale.

Awaiting your further news with much interest,

Yours sincerely,

NED. SCHEEPSBOUWKUNDIG PROEFSTATION

Adrianus
(-) ONDER-DIRECTEUR.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush

FROM: Mr. Stewart

CC: Mr. Duke - Mr. Figart

DATE: July 14, 1961

SUBJECT: Forrest Oil Company - Mr. R. E. Warner
Room 1219 NBC Building, San Antonio, Texas

In a conference with Mr. Warner in San Antonio on July 6, 1961, the following rates were quoted on the Scorpion: towing to location \$3980, with drill pipe \$5550, without drill pipe \$5500, shut down evacuation due to hurricane \$4950. He expects to have this well started 3 - 4 weeks from the July 6 date, to 14,000' in 46' of water. He then should have another to 13,000' in 28' water. The above rates are plus marine transportation, tugs and fuel.

Kerr-McGee's rig 46 drilled their last well at a towing rate of \$4150, a submerged but non-operating rate of \$4500, with drill pipe \$5250, without drill pipe \$5200, plus boats, fuel, towing and catering.

At 11 a.m. this date I spoke with Mr. Warner, advising him that rig availability is expected to be 7-10 days. He did not award us the contract, saying several operators are lower than ourselves, and promising he would contact us prior to an award. He requested that we keep him posted should we accept another job. I offered at this moment to negotiate a rate, he said he would prefer to wait a while as he was not prepared to make a definite commitment to any one.

.....
As discussed with you yesterday, I visited Alex Massad in Lafayette. He has possibly 4 wells, Eugene Island Block 126, 45' of water. We had previously discussed with him rates which had been, with drill pipe \$5150, without drill pipe \$5050, move in \$21,000, and a credit to him of \$10,000 if 4th well was drilled. Massad in general was not encouraging, dropping on me as something entirely new, "of course these rates include crew transportation". Naturally this precipitated quite a discussion and I assured him they did not. He promised since we had taken the trouble to come see him that he will call us prior to awarding the contract. I am to determine the additional cost of crew transportation for him. He will not place a floater in Block 126, nor will he place a tender there because he is afraid of storm damage to their facilities in the event of mooring failure. The only thing he has working now is Movable's self-propelled tender, which he says is doing a very good job. He stated that four separate contractors had passed through his door yesterday.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO:

FROM:

CC:

DATE:

SUBJECT: Discussion with Alex Massad - continued

He has two wells in Block 45 Eugene Island, 25' water depth, which I made an effort to acquire for the Nola 3, quoting \$3026 to move in and \$3400 working. He stated he could not see any advantage to using this equipment.

We had a lengthy discussion concerning the Nola 3, with reference to Mobil's Block 385 well. I enlightened him in detail of the accomplishment, and the difficulties on this well, together with the financial adjustments we have made.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: George H. W. Bush

FROM: Nolan Stewart

CC:

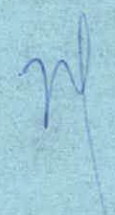
DATE: July 14, 1961

SUBJECT: Dredging

I spoke with F. T. Glascock vice president of Collins Construction Company, Port Lavaca, this afternoon regarding our Mexican dredging problem without, of course, disclosing to him the area. They have a 10" suction dredge available for sale and he is mailing me tonight all the details of it.

He states the reason that a clam shell bucket operation is usually used in Louisiana versus a suction dredge operation has been the wildlife commission's objection to the spoil displaced by a suction dredge being spread over a relatively wide area. He states that a suction dredge is by far the more economical piece of equipment on a volume of material moved basis. The dredge he has available is capable of cutting a 25 ft. deep canal and can easily cut an 8 - 10 ft. canal to a 75 - 80 ft. width.

He volunteered that rates in Louisiana are depressed to the point that an operator can get a canal cut with approximately the dimensions we seek at a price ranging from \$1 to \$1.40 per linear foot of canal. He promised to include price of the equipment in the data he is sending us.



NS/vf

Nolan Stewart

George H. W. Bush

July 12, 1961

John Clevenger, Drilling and Production Superintendent for Sinclair, 860 St. Charles Avenue, New Orleans, called me today. He had an inquiry about our floating barges and was anxious to have some data on them. I gave him your name and he said one of Sinclair's people would get a hold of you. However, I suggest you write him a preliminary letter referring to this phone call and send him some data which might include pictures and perhaps a graph of our well performance.

He also indicated that Sinclair was going to have some drilling in the future in the Gulf and it might not hurt to ask him about this.

GHWB/vf

Nolan Stewart

George H. W. Bush

July 6, 1961

M. S. Kendrick is interested in purchasing a Paillard Bolex, 16 mm movie camera. This is a Swiss made camera. There are two models the reflex model and the standard model. The reflex model sells in Houston for \$425. When you arrive in Amsterdam would you please price this camera and send me a cable on it. If we can make a substantial saving I believe we would be doing Kendrick a real favor by your bringing one back for him.

GHWB/vf

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush
FROM: Mr. Stewart

DATE: June 27, 1961
SUBJECT:

The attached performance graph was sent to the following:

Mr. Dick George - Continental, New York
Mr. Hal Nabors - " "

Mr. Alex Massad - Mobil, Lafayette

Mr. F. T. O'Leary - CATC Houston
Mr. M. S. Kendrick " "

Texaco - Mr. J. B. Christian, New York
" Mr. Bob Martin

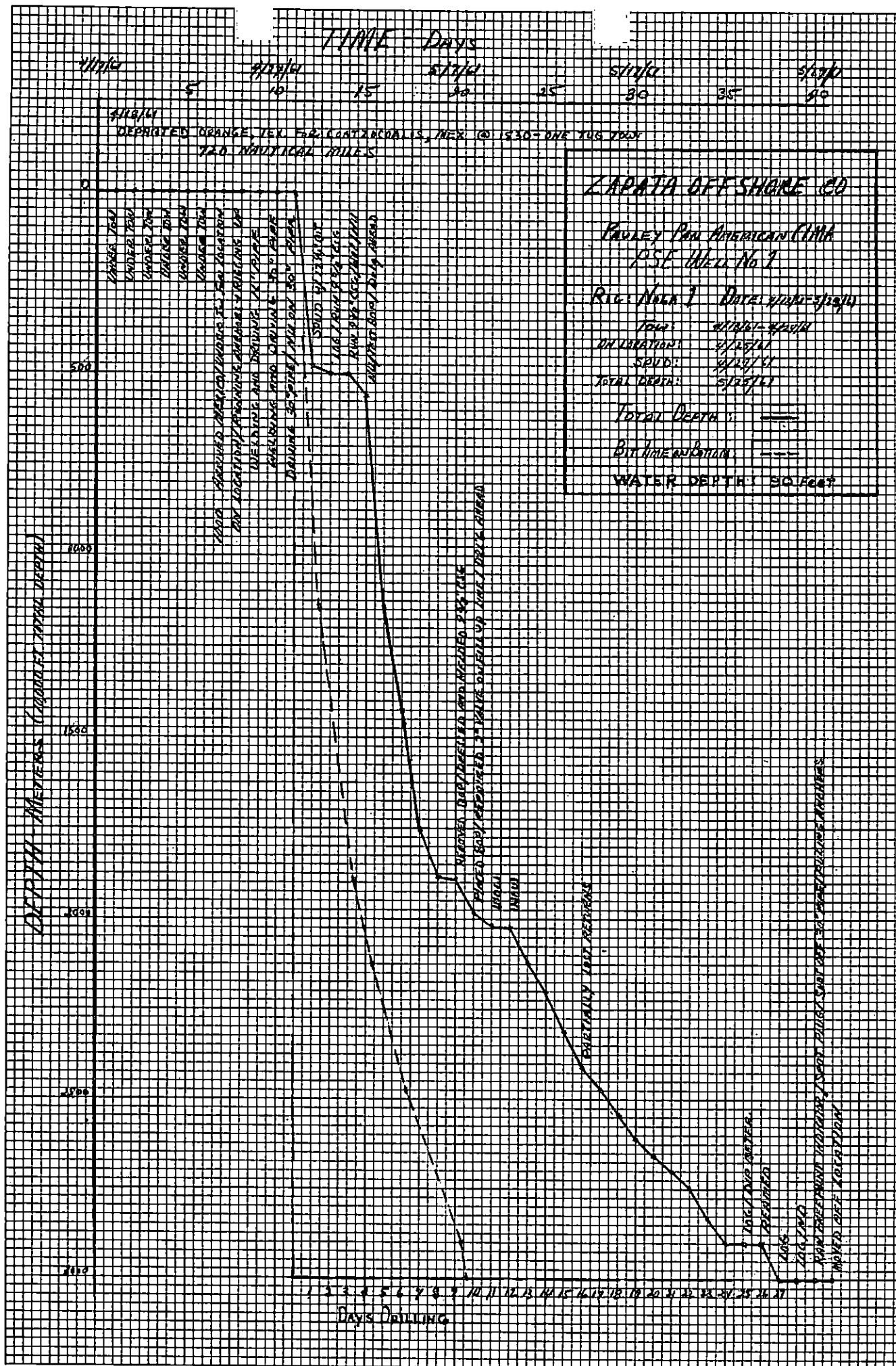
Texaco-Trinidad, Inc., Mr. G. P. Laird
" " Mr. Dave Arch

Mr. P. M. McFadden - Humble, New Orleans

Mr. J. A. Wirtenson - Asiatic, Houston

Texaco - U.S.

Shell - U.S.



ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush
FROM: Mr. Stewart

DATE: June 27, 1961
SUBJECT:

Jess Chambers of California Company called this morning inquiring about a mobile barge. I quoted the Scorpion in approximately 15 days at \$5700 less than 50' of water, \$6000 in 50-65' and \$6250 over 65'. He said he'll call us back.

✓

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush

DATE: June 23, 1961

FROM: Nolan Stewart

SUBJECT:

Ira Abbott of McDermott passed on to me this afternoon the following facts regarding Pure Oil Company and Union Oil of California Block 209 Ship Shoal.

Mr. Louis has drilled two holes and McDermott fabricated the well protector, Brown & Root got the self-contained well platform. They now find they need more shot holes drilled to enable them to properly place a self-contained platform. Water depth is 95 - 110 feet, and there are no mobiles available.

I shall discuss this with Mr. Brown of Pure on Monday morning (he was not in this afternoon) and will keep you informed.

NS.bb

George H. W. Bush

Nolan Stewart

June 21, 1961

E. W. McCarthy, President, Gulfport Ship Building Corp. - Port Arthur

Mr. McCarthy was born in September, 1908; graduated from high school in 1926, from Rice Institute in 1931 with a degree in Mechanical Engineering, PHI BETA KAPPA.

During the summer in high school and through Rice he was employed with the Standard Dredging Corp. and then permanently joined Standard upon graduation from Rice, remaining with them 12 years. He left Standard in 1939 to join Gulfport Ship Building, has remained with them since and became president of Gulfport in 1950.

He is a member of the American Society of Mechanical Engineers, a registered professional engineer in the State of Texas and a member of the Society of Naval Architects and Marine Engineers.

I have known him most of my life both personally and professionally and do not know of a finer man. He would be interested in speaking either with you or whomever you designate and will not be back in his office until Tuesday morning but will be in Houston on Monday afternoon. Should you wish to speak with him prior to that time he will be in his office through tomorrow, Thursday, until about 3:00 p.m.

I did not disclose either the area or the yard in question but did say that it was a highly placed financial organization seeking this calibre of man.

NS/vf

Telefax

WESTERN UNION

SENDING BLANK

TelefaxCALL
LETTERS

TDW

6-15-61

CHARGE
TO

ZAPATA OFF-SHORE COMPANY

P.S. BUSH JR
GREENWICH, CONN.

FOR GEORGE BUSH PRIOR TO FRIDAY AM PLS. THE DELONG
CONSTRUCTION BARGE PANAM HAS UNDER CONTRACT IN PERSIAN
GULF HAS SUNK THIS WILL FURTHER DELAY THEIR ACTIVITY STOP
THEY HAVE PREVIOUSLY EXPERIENCED ONE WEEK LOST RIGTIME
WAITING ON MCDERMOTT THE NOLA COULD BE THERE BEFORE
ANOTHER DERRICK BARGE AND THEY WOULD NOT THEN BE AS
DEPENDENT ON CONSTRUCTION EQUIPMENT THIS INFO FROM
MCDERMOTT AND B&R

NOLAN

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

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

To guard against mistakes or delays, the unreported message rate is charged in addition, if the sender of the message and the Telegraph Company

of a message should order it repeated, that is, telegraphed back to the office herein indicated on its face, this is an unreported message and paid for as follows:

office for comparison. For this, one-half the consideration whereof it is agreed between

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 repeated 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 repeated 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 ninety 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 95 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)

Economical 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.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: George H. W. Bush

FROM: Nolan Stewart

CC:

DATE: June 5, 1961

SUBJECT: _____

Ed Downing called this morning to advise that Mobil will proceed to form an industry study group leading to prompt action on the Electric Boat under water completion system. He stated that they wished to go ahead with this and that they would have no objection to furnishing the location had they one but at this time they have only shallow water locations.

This seems to have gotten it off center. He promised that he would keep us advised. I will try to call John Mitchell today to make him aware of this latest development.

NS/vf

call Ed Downing

no

ZAPATA OFF-SHORE COMPANY

INTER-OFFICE CORRESPONDENCE

TO: Mr. George Bush

DATE: June 7, 1961

FROM: Nolan Stewart

SUBJECT: CATC 185' Water Depth
Proposal

In a conference with Fred O'Leary this morning, after having been flushed on Monday last, regarding our turnkey proposal we offered the following proposition.

The day rates I quoted with no risks to us were \$6653 per day, if we furnish the boats, and \$5653 per day if we did not furnish the boats, they to assume all weather risks, all Shaffer equipment risks, and if they furnish the boats and fuel, all risks in that regard.

The initial response regarding the turnkey was that it was entirely too much money, and you will recall that was in the amount of \$324,000 and had a pad in it of approximately \$100,000.

I discussed in detail with O'Leary how these intangible costs had been arrived at and their amounts, and they appeared willing to assume all risks in that regard.

O'Leary and Hal Bybee were present in the meeting and this approach appeared to be acceptable to them. They stated that they probably could not let us know before Friday of this week or Monday of next week.

NS/bb

cc: Mr. Duke
Mr. Figart

Nolan Stewart

George H. W. Bush

June 5, 1961

Did you see the new edition of World Oil. There is a bunch of information on floating drilling in there which might be of interest to Hoyt, Figart, you and others in connection with our proposed CATC job. Would you get several reproductions made of the article and pass them around to these people and to Bill Greve.

GHWB/vf

Nolan Stewart

George Bush

May 1, 1961

I have offered Jim Bush the use of my office during this week. He will be here for meetings with Gardiner Symonds and others. I mentioned to him that you would speak to him about the Mendez deal. If he does not come by the office you might call him at the Rice Hotel. Ask Vivian to show you a copy of my letter to Jim Bush and you will see that I have mentioned there that you would talk to him about Mendez.

GHNB/vf

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: George Bush

FROM: Nolan Stewart

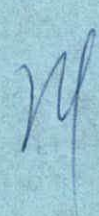
CC: Ian Figart
Howard Duke
T. J. Devine

DATE: April 12, 1961

SUBJECT: _____

David Taylor advises that preliminary testing of the model will commence April 24th and that final testing is expected to start on April 28th or May 1st. We are making arrangements to be at the testing basin April 28th to witness the final day of preliminary tests and then we shall see the balance of the final testing.

They state that no hitches have developed in the testing program and the delay has been in their words "our desire to be as thorough as possible."



NS/vf

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Geo. H. W. Bush

FROM: Nolan Stewart

CC: Mr. Ian Figart

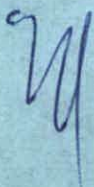
DATE: March 27, 1961

SUBJECT: _____

In Sunday's paper there was the announcement by Global Marine to the effect that John Atwood formerly of Sohio was appointed Global's Gulf Coast Manager with offices here in Houston.

I am convinced that this will mean floating competition in the Gulf Coast.

NS:dlp



Nolan Stewart
Ian Figart
George Bush

March 13, 1961

Possible Farmout South
Palto Area

There follows some cost data obtained from Mobil:

8000 ft. Test 40 days

APE \$396,000 for dual completion

Intangible \$243,000

Tangible 117,000

Contingency 36,000
\$ 396,000

Intangibles included

160,000 drilling
20,000 boats
25,000 mud

Actual cost \$100,000 included
drive pipe
surface pipe
no platform

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Geo H. W. Bush

FROM: Nolan Stewart

CC:

DATE: February 24, 1961

SUBJECT: _____



I spoke with Mr. Golavato of the David Taylor Model Basin regarding a contract form and he stated that they do not have a form contract as such but referred to Item "A" Fixed Price Contract and Item "B" Cost Reimbursement Contract as "contracts."

We have chosen to go the route of Item "A" which is the Fixed Price Contract. I also spoke with Eric Allan and Mr. Gilbreath of Todd simultaneously yesterday who stated to me that we have incurred no additional expense whatsoever in regard to Todd. They will also have Eric Allan present for the testing.

NS:dlp

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: George Bush
FROM: Nolan Stewart

DATE: February 14, 1961
SUBJECT:

I spoke with Don Leigh this afternoon regarding the Dixilyn information you picked up, without revealing to him my source or the name of the barge in question. He readily admitted that they had concluded a deal for another mobile and said that he had advised Figart of this several days ago. He did state that he did not know for how long the new rig would be operating. I offered the Scorpion and he expressed appreciation for the offer but he does not have any current plan to add a third rig.

I tried to call Shot McCollum but they are closed for Mardi Gras and will follow up tomorrow.



NS/vf

Telefax

WESTERN UNION

SENDING BLANK

TelefaxCALL
LETTERS

TIN

12-22-60

CHARGE
TO

ZAPATA OFFSHORE CO.

ZAPATA

PORT OF SPAIN TRINIDAD

ATTEN DESMOND DAVIS URGENT CALL HERB BELL TO YOUR OFFICE AND GIVE HIM THIS CABLE TO PERSONALLY TAKE TO DAVE ARCH OF TEXACO HE IS TO DELIVER THIS TO ARCH ONLY AND NO RADIO OR PHONE RELAY STOP MR BUSH TALKED NEW YORK TODAY AND WAS INFORMED SINCE 61 BUDGET NOW EFFECTING FUNDS PROBLEM NO LONGER CRITICAL NEW YORK PLEASED PERFORMANCE WOULD GIVE FAVORABLE CONSIDERATION ANY REQUEST FOR ADDITIONAL DRILLING PROVIDED RECOMMENDATION MADE FROM TRINIDAD WE BRIEFED NY ON SAVINGS ANTICIPATED BY NOT SHUTTING RIG DOWN PLEASE TREAT ABOVE WITH DISCRETION AND WE ARE STANDING BY RETURN TRINIDAD YOUR CONVENIENCE TO NEGOTIATE BUSH FIGART JOIN ME WISHING YOU MERRY CHRISTMAS HAPPY NEW YEAR

STEWART

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

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

To guard against mistakes and repeated message rate is charged in the sender of the message and the Telegram

sender of a message should order it repeated, that is, telegraphed back to him, otherwise indicated on its face, this is an unrepeatable message and pay only as follows:

mailing office for comparison. For this, one-half the fee, in consideration whereof it is agreed between

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 unrepeatable 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 repeated 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. To any extent 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 \$500 thousand dollars, at which amount the sender of each 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 repeated 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 in 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 assigns 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 ninety 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 the Virgin 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 412 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)

Economical 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 25 words applies.

SHIP RADIOGRAM

For messages to and from ships at sea.

Telefax

WESTERN UNION

SENDING BLANK

TelefaxCALL
LETTERS

TDW

12-15-60

CHARGE
TO

ZAPATA OFF-SHORE COMPANY

ZAPATA
PORT OF SPAIN TRINIDAD

STEWART OBTAIN AS MUCH INFORMATION AS POSSIBLE
ON PREMIER CONSOLIDATED OIL CO. IN TRINIDAD RE
PEOPLE RESERVES VALUES PROSPECTS.

BUSH

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 omissions, the sender of a message should order it repeated, that he telegraphed back to him otherwise indicated on its face, this is an unreported message and no company is liable for it.

sender of a message should order it repeated, that he telegraphed back to him otherwise indicated on its face, this is an unreported message and no company is liable for it.

insuring office for comparison. For this, one-half the rate, in consideration whereof it is agreed between

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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 each 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 repeated-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.

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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 ninety 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 to the air, (b) within 95 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.

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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)

Economical 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 25 words applies.

SHIP RADIOGRAM

For messages to and from ships at sea.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. George H. W. Bush

DATE: December 6, 1960

FROM: Nolan Stewart

SUBJECT: Bareboat Charter and Service
Agreement on the Vessels San
Paul and Miss Mickie

These two vessels are currently being used by us in Florida. You will note that the Charter and agreement are dated back in October but were not received in this office until the latter part of November.

The changes requested in the respective covering letters are those Pat Murphy and myself feel are necessary. If you secure agreements on these changes, the contracts will be ready to sign.

Nolan

NS:dlp

CB

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: George H. W. Bush

DATE: November 28, 1960

FROM: Nolan Stewart

SUBJECT:

DeTalance called 8:30 a.m. out time, 28th, to say that Olives with SPAFE and Taylor with Mobil requested that I come to Paris as soon as possible to discuss the floater.

Following Talance's request of Friday I also called Taylor this morning and he indicated they could be convinced. Accordingly I shall be at the Claridge in Paris from Tuesday night through Friday.

Things we need to do in New York are as follows: I would suggest you call on Howard Rambien with Texas Company in an effort to push up their mid-year 12 well program. He will probably request that you see Christian or Bob Martin and I fail to see how Christian can be other than impressed with the current record of the Nola 1. Figart and I would be willing to consider a turn-key along the same lines we have the current 3 wells.

If you can possibly get to someone, Bud Warner with Mobil I suppose to find out two things:

1. the name of the American contractor who bid a mobile barge direct; in other words not through a French contractor, and
2. insure our being listened to in New York by Mobil after the results of the Paris huddle.

I asked Pat Taylor to hold McCarty in Paris, which he said he would do.

Dick just called in to say that there is some rumor that Texas Company will ask for funds for an additional well in Trinidad. Please check this out in New York.

Talked to Jim Wirtensen this morning and he suggests you see Virgil Fletcher, Vice President of Asiatic, 50 W50th (Rockefeller Center, 8th floor). In the absence of Mr. Fletcher he suggests you see Leo Van Dyke who is their technical operations director. Either of these two men could get some action on the TNA group which you will recall is Pat Laird's in Trinidad. I should think that Texaco would be ready to do something on this. Pat Laird will be ready and Shell has consistently been the one to ride their heels on the situation.

*Stefanete -
BPM
Vague*

*5
move on
as 8th
1 Rockefeller
Plaza
NY 20, NY*

*1/3 B.D.
1/3 Tex
1/3 Shell
open int'l
encl 8/61
call Wirtensen*

DRAG

ZAPATA OFF-SHORE COMPANY

INTER-OFFICE CORRESPONDENCE

TO:

DATE:

FROM:

SUBJECT:

Larry Gailbreath, Manager Todd Houston has found only one Model of a CVE which is on loan to the University of North Carolina, Chapel Hill North Carolina. The name of this model is the U.S.S. Commencement Bay. Little else is known about it however it would be helpful if you could use any resources you may have to see if we can't acquire the use of a model for about 10 days. Todd is told that the Commencement Bay will proceed to the Smithsonian Institute next year.

I really regret not being with you on this electronics deal but let's push it real hard and we will make this outfit another junior Texas Instruments.

NS/vf

Inch Blachnell - Bob Menter.

- 1) 57' penetration off shore is.
- 2) TNA has wells - doubt it
adobe ing now use 4.
- 3) Doubt it get added / finish for Tex-
true
- 4) Buell wanted to keep
Wola / but Ohio (Churchill)
and Conoco - no want.
- 5) Limitation - around 9000'.
- 6) Maintenance poor at begin.
Both Texas + Zap. fault
- 7) Kent's into neg.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: George H. W. Bush

DATE: November 23, 1960

FROM: Nolan Stewart

SUBJECT:

file

Pursuant to our discussion I have spent one hour and twenty minutes with Jerry this afternoon going over the whole situation.

His primary concern stems from having very strong feelings about what is good for the company and having ideas, most of which seem to be constructive, but not having them listened to, to the degree he thinks they should be. I have explained to him the method of estimation now being used, why the old method was changed, and he understands and agrees that this is definitely for the better. Some of the ideas he has can be used to advantage and I believe we have set up an arrangement whereby they will be effectively utilized.

The "salary plateau" is understood as a necessary factor and I do not expect further difficulties in this regard.

His present duties are specifically:

- The receiving of morning reports 7 days a week
- All billing and invoicing
- The processing of industrial accident and insurance claims
- Shipping or co-ordinating the shipping of items to the rigs
- Office manager

NS/vf

Nolan Stewart
Ian Figart

October 14, 1960

George H. W. Bush

If you wish to contact me while I am in Paris
the following will know where I may be reached.

Madame Picq (Secretary to president of
Societe Prospection Electrique
Phone: Robinson 7126
Solfirino 9758

I will cable the office as soon as I find out
where I will be staying.

GNWB/vf

Ian Figart
Nolan Stewart

October 10, 1960

George H. W. Bush

Howard Duke will have the office next door to Mosby's old office and will be concentrating primarily on the Trinidad dispute. I would like both of you to talk with Howard about a program where he can be on the ground during the Tex-Trin job in Trinidad.

GHWB/vf

Nolan Stewart

October 7, 1960

G.H.W. Bush

Please talk to me about a public relations program.
I think we can do a good deal more towards getting
free publicity in the trade magazines, etc.

GHWB/vf

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a fast telegram	
TELEGRAM	
DAY LETTER	
NIGHT LETTER	

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WESTERN UNION TELEGRAM

1207 (4-55)

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	
LETTER TELEGRAM	
SHORE-SHIP	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
STRAIGHT WIRE			ZAPATA TELEPHONE EXPRESS 4001	3:50 P.M.

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

To NOLAN STEWART SEPTEMBER 26 19 60

Street and No. ROOM 639 TAMANACA HOTEL
 Care of or Apt. No. Destination CARACAS, VENEZUELA

TRYING TO PHONE YOU. CIRCUITS BUSY. CALL ME ROOSEVELT ANY TIME.
MEET CALIFORNIA 9:30 TOMORROW.

GEORGE BUSH

Senders's name and address (For reference)

Sender's telephone number

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

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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 unrepeatable 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 repeated 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 each 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 repeated 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.

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4-54

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

SHIP RADIOGRAM

For messages to and from ships at sea.

Nolan Stewart

September 22, 1960

George H. W. Bush

Brasil

Brantly of Brantly Drilling is working in Brasil. I am sure he will help us in any way we want with tax data etc. Also Mr. Rider, president of D&E, Dallas is a friend of mine and I can help here. Talk to me about it on your return.

CHWB/vf.

cc: F. Allen

Nolan Stewart

July 27, 1960

G. H. W. Bush

Foster Parker has called Frank Allen again regarding
MM151. Frank has gone over the deal emphasising that
you and Lindsay were in agreement on this, and that
Brown & Root would not harrass us but would look to
Pauley.

Will you please arrange a meeting with all concerned to
get this cleaned up. Please let me know how this comes
out. It is most important that Brown & Root not sue
us on this matter. Pauley apparently plans to meet
Brown & Root and attempt settlement.

GHWB/vf

cc: W. H. Dean

Kelan Stewart

July 13, 1960

G. H. W. Bush

On Monday will you please call Gil Richardson, Shell Oil Company, New Orleans. He has in tow Mr. J. C. Reynieros, a Dutchman who will be in New Orleans until July 27th. Mr. Reynieros is the technical manager in Nigeria. He is discussing their five-year exploration plan and needs to get some information on the Mels. Water depths are 15 - 20 ft. The acreage is 3 - 20 miles offshore. 6 - 10 ft. tides. No hurricanes, swells. He needs a vessel description, anchoring deep and performance records. It may be that you can give them the dope they require on the phone or it may be you will want to invite them over here or meet them over there. In any event I think it is worth a call Monday.

GHS/vf

cc: W. H. Dean
H. C. Duke
S. R. Little

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush and Mr. Dean

FROM: Nolan Stewart

CC:

DATE: July 1, 1960

SUBJECT: _____

I shall be at the Fountainbleau in New Orleans from July 2nd thru July 4th, the Sun and San Motel, Biloxi, Mississippi, from the 5th thru the 9th and from the 9th thru 15th at the Grand Hotel, Point Clear, Alabama.

Will fly from New Orleans to Dallas to keep appointment with Mr. Olives Tuesday evening the 5th.

SHERATON HOTEL

Nolan Stewart

June 30, 1960

G. H. W. Bush

Last night I had dinner with Mr. Olives and Mr. Lamarque. One thing that they kept talking about was if we used the floating method we should take the risk on any down time due to weather. I pointed out to them that we did not normally take the risk on weather on day rate contracts. I mention this because this is something that will probably come up in your talks with Mr. Olives.

GHWB/vf

Nolan Stewart

June 28, 1960

G. H. W. Bush

Attached is the itinerary of Mr. R. E. Olives who is traveling with Mr. Lamarque. Mr. Lamarque will be the operations manager at Gabon. Mr. Olives is very anxious to see you to go over the analysis of the weather report. He suggested the evening of either July 4th or July 5th at Dallas.

Global Marine has prepared an estimate for him based on records from the U.S. Navy Hydrographic Office which show that there are swells, generally from the same direction, in excess of 6 ft. during 30% of the time. Please talk to me about this when you get back.

GHWB/vf

N. Stewart & W. H. Dean

June 28, 1960

G. H. W. Bush

Egyptian Deal

Talked to Howard Duke today.

He recommends that we join up with IDE for bidding COPE job.

1. They have no equipment - we do.
2. They have operating organization and experience in area - we don't.
3. We can still make same profit without worries of organization and operation.

I gave him clearance to talk to IDC. He will do this and their Wally Marsh will stop in here on way back from Buenos Aires.

COPE is owned 51% by government. Stockholders are Petrofina, San Swiss Bank and AEGIP.

In proposal - E.P. = Egyptian Pounds
L.E. = Local exchange (dollars).

Duke recommends we not bid on their terms but clearly set out our conditions in our proposal.

GHWB/vf

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: G.H.W. Bush

FROM: Wayne H. Dean

CC: Nolan Stewart

DATE: June 7, 1960

SUBJECT: _____

Mr. Ed Downing of Mobil Oil Company called this date inquiring as to the availability of the "Vinegarroon" as they have some wells to drill. I told him that there is a possibility the barge will be available in thirty days and that I plan to leave for Mexico City in the morning and as soon as any definite information is at hand, we will get in touch with him immediately. In the meantime, you might give Ed a call and visit with him until I return or call you regarding the above.

WHD/dw



ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Mr. Bush and Mr. Dean

FROM: Nolan Stewart

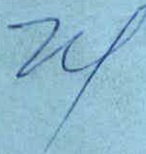
CC:

DATE: June 2, 1960

SUBJECT: _____

I have executed this date all pending patent forms and applications. This leaves me, the Company, and Baker, Botts in the clear with respect to pending matters in this regard.

Nolan



NS.bb

Withdrawal/Redaction Sheet

(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
02. Memo	From George Bush to Nolan Stewart RE: Financial information (1 pp.)	5/26/60	C	
COLLECTION George Bush Personal Papers Zapata Oil File Business Correspondence Files				
FILE LOCATION Inter-Office Correspondence - Nolan Stewart [1959- 1962] OA/ID Number Date Closed 11/02/99				

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]

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a fast telegram	
TELEGRAM	
DAY LETTER	
NIGHT LETTER	

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WESTERN UNION TELEGRAM

1206 (4-55)

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	
LETTER TELEGRAM	
SHORE-SHIP	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			ZAPATA OFF-SHORE COMPANY	

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

5-10-60

**STEWART
ZAPATACO
GENEVE**

**CONFUSED FALGOUT PHONECALL PLS WIRE OR PHONE BEFORE
INCURRING EXPENSE FOR DUKE IN REGARDS ANY COMPANY
PERSONNEL PROBLEMS.**

BUSH

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G-60

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LETTER TELEGRAM (LT)

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SHIP RADIOGRAM

For messages to and from ships at sea.

TO: George H. W. Bush

FROM: Nolan Stewart

CC: Wayne H. Dean

DATE: March 30, 1960

An individual identifying himself as Mr. Sam Robertson, 46687, Lafayette, Louisiana called for you and was switched to me at 2:45 p.m. this date. He says he is an independent broker with a hot offshore deal. If made by us requested protection of 1/32 and \$50,000. The area is owned by Pan American, Texaco, Anderson Pritchard and Union Texas National Gas Corp. in the W/2, Block 98, South Timbalier; water depths not less than 40 ft. nor greater than 60 ft.; one well to be drilled 13,000 ft. or commercial production above. He believes that it is a state lease involving 1/8 of 8/8 royalty. He says the geology seems ok, that Pan American is the prime mover and must be drilled not later than 8-31-60.

Not wishing to get too deeply involved with the broker situation without first checking with you I deferred any reply until Monday, 4-4-60, at which time I told him that one of us would call him back.

He then wondered if we had any equipment in South America. I told him that we had and he wants us to call Victor Oppenheimer, Mercantile Securities Bldg., Dallas, Texas and Mr. Robertson will not look to Zapata for any sort of fee in anything related to Mr. Oppenheimer, as he states he has this already negotiated with Oppenheimer.

Oppenheimer is supposed to have 40,000 acre lease seven miles up river from Cartagena, Columbia. This can either be drilled directionally from land or from the river. There are seven producing wells on the property, 51 gravity oil at 1700 ft. The deal is further development for \$30,000 and we agreeing to a 75% working interest. Further information on this property can be gathered from the May 5, 1957 issue of WORLD OIL.

*Vassar deal
little known
it-*

Mr. Robertson states that Mr. Oppenheimer has served as geological advisor to "many South American Republics", he is well known and familiar. He also has 4 million acres spread around Columbia.

I asked Robertson if he know Mr. Robbie Castile, President of Guaranty Bank in Lafayette, who is a very close friend of mine, and he stated that he did. I can get a check on him through this source if the need arises.

NS/vf

uf

TO: George H. W. Bush

FROM: Nolan Stewart

CC: Wayne H. Dean

DATE: March 30, 1960

An individual identifying himself as Mr. Sam Robertson, 46687, Lafayette, Louisiana called for you and was switched to me at 2:45 p.m. this date. He says he is an independent broker with a hot offshore deal. If made by us requested protection of 1/32 and \$50,000. The area is owned by Pan American, Texaco, Anderson Pritchard and Union Texas National Gas Corp. in the W/2, Block 98, South Timbalier; water depths not less than 40 ft. nor greater than 60 ft.; one well to be drilled 13,000 ft. or commercial production above. He believes that it is a state lease involving 1/8 of 8/8 royalty. He says the geology seems ok, that Pan American is the prime mover and must be drilled not later than 8-31-60.

Not wishing to get too deeply involved with the broker situation without first checking with you I deferred any reply until Monday, 4-4-60, at which time I told him that one of us would call him back.

He then wondered if we had any equipment in South America. I told him that we had and he wants us to call Victor Oppenheimer, Mercantile Securities Bldg., Dallas, Texas and Mr. Robertson will not look to Zapata for any sort of fee in anything related to Mr. Oppenheimer, as he states he has this already negotiated with Oppenheimer.

Oppenheimer is supposed to have 40,000 acre lease seven miles up river from Cartagena, Columbia. This can either be drilled directionally from land or from the river. There are seven producing wells on the property, 51 gravity oil at 1700 ft. The deal is further development for \$30,000 and we agreeing to a 75% working interest. Further information on this property can be gathered from the May 5, 1957 issue of WORLD OIL.

Mr. Robertson states that Mr. Oppenheimer has served as geological advisor to "many South American Republics", he is well known and familiar. He also has 4 million acres spread around Columbia.

I asked Robertson if he know Mr. Robbie Castile, President of Guaranty Bank in Lafayette, who is a very close friend of mine, and he stated that he did. I can get a check on him through this source if the need arises.

NS/vf



ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

W

TO: Nolan Stewart

FROM: G.H.W. Bush

CC:

DATE: August 25, 1959

SUBJECT: Letter from Sandy McCormick

Nolan, please speak to me about this when you get a chance.

W

GHWB/vf
Att.

Nolan

ZAPATA OFF-SHORE COMPANY

BOX 3185

MIDLAND, TEXAS

GEORGE H. W. BUSH, PRESIDENT

August 25, 1959

C
O
P
Y

Mr. Sanford E. McCormick
112 Ridglen Drive.
Midland, Texas

Dear Sandy:

I certainly would appreciate your writing Mr. Pagliai about us. I expect I will be down in Mexico City before too long and I would like to go call on him. I had already read the Fortune article with great interest. Our Mexican contract should firm up within 30 days and we will have two rigs down there operating out of Coatzacoalcas.

Last week was an exciting one for us with the new baby and also moving into our new house. A week from today we will move into new offices at 1701 Houston Club Bldg., so there has been a lot going on.

I hope that Balene is comfortable and that the baby comes soon.

I am looking forward to coming to Midland for the Golf Tournament in September. I saw Johnny Bush at Ducky's wedding and he is probably going to leave the theater and go into business. If you have any ideas that would be interesting to him please let me know. I think he will come down here to talk and look things over.

Best regards and be sure and give me a call if you are ever down this way.

Yours truly,

George H. W. Bush

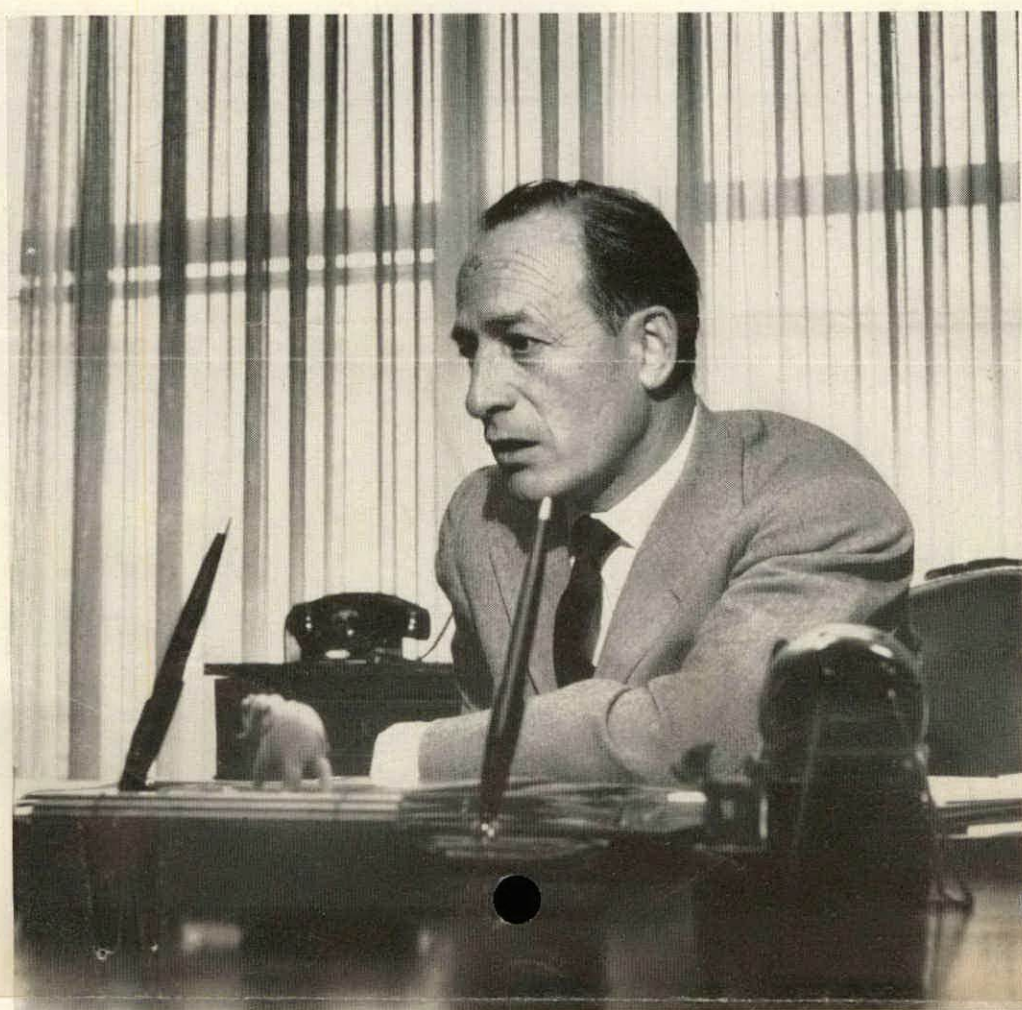
GHWB/vf

Poppy, I have meant to write you for some time about Bruno Pagliai, the friend of my uncle with whom I talked while in Mexico City. He is a close friend of my uncle and I am sure would be very happy to meet you, if you have not already met him. In the past several governments, he has been extremely powerful and from all reports, his influence is not likely to change with the ever changing governments. If you would like, please let me know and I will write him a letter as will my uncle. You know as well as anybody what a little personal acquaintance can mean in Mexico. I really mean it when I say it would be a pleasure to write him.

Sandy

*Boys Deal.
Directors.
Zapata people
Cera
address GHW*

Who's Who in Foreign Business



Bruno Pagliai

One of Mexico's most resourceful industrialists is fifty-six-year-old Bruno Pagliai, who was born in Italy, spent a number of years in the U.S., and who has been a Mexican citizen since 1946. Pagliai, who runs his affairs from a Mexico City penthouse office, owns a controlling interest in Tubos de Acero de Mexico, S.A. (Tamsa), which he organized in 1952 to manufacture seamless steel pipe primarily for Pemex, Mexico's government oil monopoly. In 1955, Tamsa's first year of operation, it made a net profit of \$560,000. By last year, sales had climbed to over \$27 million and profits totaled \$3,200,000. This summer Tamsa, now working at 98.5 per cent capacity, will boost its production of steel tubing from 98,000 tons to 150,000 tons yearly. Pagliai is planning still further expansion, hopes to build Tamsa into a totally integrated operation with its own ore and coke subsidiaries.

Pagliai came to the U.S. in 1921 to join his father in Utah. Soon after, they moved to California. Bruno went to work first for the Bank of Italy and later for himself in insurance and securities. By 1930 he had made and, for the most part, lost, his first million speculating in stocks. Thereafter, he began to acquire investments and powerful political friends in Mexico.

One of his first major Mexican projects was organizing an insurance company, La Oceanica. More recently, he has been the largest private investor in the Dina-Fiat plant in Sahgún. He has started a specialty paper firm, and organized a fertilizer company. Last year he founded a combination finance company and management-consultant firm, Intercontinental S.A., in collaboration with such men as German industrialist Alfried Krupp and U.S. investment banker Charles Allen. This month he is putting together a synthetic-rubber plant.

As his ventures achieve success, Pagliai loses interest. He says, "I've got to build something, to see it going... then I've got to build something else." His personal wealth is estimated at well over \$50 million. He and his wife, U.S. movie actress Merle Oberon, spend their money lavishly on cars, planes, houses (three), world traveling, and art. For more contemplative relaxation, Pagliai turns to his collection of antique books and documents dealing with the Spanish conquest. For business inspiration, he looks further back in history to the Medicis, who he believes were the first to discover the manifold advantages of international cooperation in business.

FORTUNE - JULY 1959

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a fast telegram	
TELEGRAM	
DAY LETTER	
NIGHT LETTER	

\$
S
E

WESTERN UNION TELEGRAM

1211 (4-55)

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	
LETTER TELEGRAM	
SHORE SHIP	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			ZAPATA OFF-SHORE COMPANY	

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

2-24-60

**GEORGE BUSH
c/o G. H. WALKER
CONWAY ELEUTHERA BAHAMAS**

**SUGGEST OBTAIN FEBRUARY 15 ISSUE TIME MAGAZINE PAGE 98
ARTICLE CONCERNING WALTER HELLER & CO. STOP SOUNDS
LIKE WHAT WE NEED AM CONFIDENT CAN SELL STOP NOLA 3
4848 DOING WELL NOLA 1 UNDER BEARING 3200 DOING WELL
MEXICO WAITING ON WEATHER NO CHANGE FROM PREVIOUS
CABLE.**

NOLAN

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

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeatable message rate is charged in addition. Unless otherwise indicated on its face, this is an unrepeatable message and paid for as such, in consideration whereof it is agreed between the sender of the message and the Telegraph Company as follows:

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 unrepeatable 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 repeated 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 each 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 repeated 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 ninety 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 95 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)

Economical 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.

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a fast telegram	
TELEGRAM	
DAY LETTER	
NIGHT LETTER	

\$
S
E

WESTERN UNION TELEGRAM

1211 (4-55)

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	
LETTER TELEGRAM	
SHORE-SHIP	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			ZAPATA OFF-SHORE COMPANY	

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

GEORGE BUSH
c/o G. H. WALKER
COTONBAY ELEUTHERA BAHAMAS

1030 A.M. 22ND VINEGARROON APPEARS TO HAVE BALANCED
ITSELF AND NOW AWAITING FAVORABLE WEATHER TO LOWER
AND TOW TO SHALLOWER LOCATION WHERE REWELDING WILL
TAKE PLACE DERRICK BARGE NOT REQUIRED NO REPORT ON
NOLAS. FAMILY OK.

NOLAN

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SHIP RADIOGRAM

For messages to and from ships at sea.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: Nolan Stewart

FROM: G. H. W. Bush

CC:

DATE: February 4, 1960

SUBJECT: Basil Rusovich !

I passed along to this fellow the fact that his prices
were out of line. This is correct isn't it?



CHWB/vf

*To George
Correct
Mf.*

CABLE "TRANSOCEAN"

PHONE CAnal 7119



WORLD WIDE SERVICE

TRANSOCEANIC SHIPPING CO.

507 PAN AMERICAN BUILDING
NEW ORLEANS 12, LA., U. S. A.

February 3, 1960

Zapata Offshore Company
1701 Houston Club Bldg.
Houston 2, Texas

Attention: Mr. George H. W. Bush

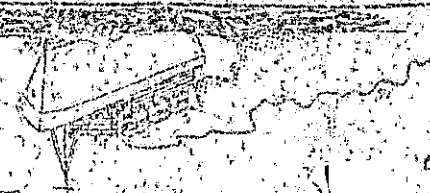
WASHINGTON: MR. GEORGE H. M. BLAIR

HOLMES & LEXIE
1167 HOLMES STREET
GEORGE OFFICE COMPANY

GEORGE H. M. BLAIR

WORLD WIDE SERVICE

WORLD WIDE SERVICE
1167 HOLMES STREET
GEORGE OFFICE COMPANY



WORLD WIDE SERVICE

WORLD WIDE SERVICE

WORLD WIDE SERVICE

Nolan Stewart

George H. W. Bush

R. O. Wilson

February 9, 1960

W. H. Dean

Venezuelan Workman's Compensation

Johnson & Higgins called me from New York. Their Venezuela man has contacted them and feels that we will be able to get lower Workman's Compensation rates with companies that will be satisfactory to us. They are not sure yet whether these companies will write fully offshore risks but they now feel that this can be done. I have told them it is most important that we get the lowest rates available in both Trinidad and Venezuela and have also advised them that if these rates are available through companies that are sound but with whom Johnson & Higgins cannot do business, we will deal directly with the companies. I understand that the Caracas office of Johnson & Higgins will try to resolve this situation for both Trinidad and Venezuela. Please keep me advised of any developments on this.

GHWB/vf

Nolan Stewart

G. H. W. Bush

February 3, 1960

It was good talking to you on the phone today. Regarding the Certificate of the Magnolia Bill of Sale, the British Consul advises that this must be forwarded to Dallas for certification of the County Clerk. Upon receipt of it here the Consul will certify it and we can forward it on to you. Falgeut was instructed today regarding Theriot and Burk. Falgeut is making arrangements to have the certificate by the Consulate on the value of the boats, and Sam will take care of sending this to you.

I talked to Johnson & Higgins regarding R.E.P. Williams. They are getting on this immediately and will advise me. Williams was supposed to have been contacted with all arrangements worked out by A.I.U. 10 days ago. Please let me know if there are any more developments on this.

I was pleased to get the word on the approved invoices and we will be looking forward to getting the funds within a week.

I am looking forward to my visit down there. There are quite a few things that I am anxious to go into. We need not take up the settlement with Paria if you think it is too early to do so.

I will review that loss of hole language in the Trinidad Contract.

GEWB/vf

Nolan Stewart

G. H. W. Bush

January 28, 1960

Dick Wilson wrote saying that he thought they could get the Workman's Compensation cheaper in Venezuela, as a matter of fact for about 1/2 as much as we think we are going to pay. I recall that you thought we could do the same in Trinidad. Would you please look into this and find out exactly what coverage the lower rates give. It is most important that we save money on this if possible. Perhaps it will turn out that we are talking about different coverage but if there is a chance that Johnson & Higgins is ever-looking something I am most anxious to know about it.

See you soon.

GHWB/vf

Nolan Stewart

G. H. W. Bush

January 27, 1960

I talked to Glo yesterday evening and she tells me all is well. We had a nice visit and I asked her to be sure to let me know if there is anything we could do here at the office or that I could do personally. She assured me everything is under control.

I am most anxious to get to visit with you on the entire set up there on both sides, when I get to Caracas or Port of Spain, wherever I will see you. I am pleased to see that you feel we are within our budget on the Trinidad side. I cannot emphasize enough the importance to the company of having a profitable three months operation commencing February 1st. I feel that you are aware of this, of course, to the degree that you can instill this in our operating people there and I would be most appreciative if you would do so.

GHWB/vf

Nolan Stewart

G.H.W. Bush

R. O. Wilson

January 27, 1960

I am planning a trip to Venezuela, Trinidad as follows:

Leave New Orleans Saturday, February 13th, Delta
Flight 751; arrive Caracas Sunday, February 14th
7:35 a.m.

Barbara will be with me and we plan to take it easy on Sunday. Monday and Tuesday I would like to visit with the Paria people and spend some time with Alexander Bratt and Angoula.

Tuesday p.m. we will leave Caracas 7:30 p.m. arrive Port of Spain 9:45 p.m. We plan to stay in Trinidad til Saturday or Sunday. While there I would like to meet the lawyers, attorneys, accountants and, of course, Doug Hannay and other Kern people.

I would also like to go over to the rig in Venezuela if that is possible. If this cannot be arranged I shall go to the Nola 1 from the Venezuelan side and should change the above plans.

By copy of this letter I am asking Dick Wilson to get a reservation, double room, at the Tananaca in Caracas commencing Sunday, February 14th. Would you please make arrangements to get reservations for us in Trinidad wherever you think best. If we will be staying in Port of Spain I prefer the old hotel to the new motel type job.

I would appreciate it if you would let me know how the weather is apt to be at that time (this is a woman's question).

We were delighted to get the cable yesterday and your phone call about the progress there. By the time you receive this perhaps the Nola 1 will be back to drilling.

I would appreciate a letter from you commenting on the above at your convenience.

Nolan Stewart

G.H.W. Bush

January 19, 1960

Zapata-Kern Contract

I am attaching a letter recently received from Pres on the Kern Contract. There are two problems that need to be ironed out. Would you please check his letter carefully and let me know what the situation is.

1. On the Kern Contract under Section V, Page 8, it was the intent of this to hold us harmless at all times for the loss of hole, I am sure, since we discussed this at great lengths, but when read it appears that the inserted language at the top of Page 9 merely refers back to the loss of materials, etc. If we could get clarifying language on this it would be helpful.
2. In the indemnity Section XIV on Page 17, Johnson & Higgins raise the question about the word "including". In the Pauley Contract, etc. it specifically states "excluding".

It is possible that we will have additional insurance charges unless we can get these two points clarified. Perhaps a simple letter would be agreeable to Kern if they agree in principle. Please let me know.

GHWB/vf
Enc.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: G.H.W. Bush ✓

FROM: Nolan Stewart

CC: Wayne H. Dean, J. A. Rudolph

DATE: December 8, 1959

SUBJECT: Matt Gormly's letter addressed to us to my attention November 27, 1959, regarding Trip Insurance, etc., on the NOLA No. 3 for her trip to Trinidad

The hull rates and extension of P&I insurance rates quoted in this letter are in addition to normal hull and P&I rates which we currently carry. The 1.25% rate quoted on boats going down under their own power do not apply, as the two smaller boats will be loaded aboard the T.J. No. 2 and the T.J. No. 2 will be towed behind the NOLA No. 3.

The next item in his letter was the notation that if boats are carried aboard the NOLA No. 3 - I changed this with him to read that the boats will be carried aboard the T.J. No. 2. That hull (50%) rate will apply under these circumstances and I made certain that the risk of loading and unloading will equally apply to them being carried aboard the T.J. No. 2 rather than the NOLA No. 3.

Page -2- of his letter, top paragraph refers to being approved by a surveyor, I pointed out that Captain Noble had approved this arrangement but that I expected that he would probably wish to personally see tying down.

The next paragraph was that they requested our approval of their binding of these rates, I gave that approval as of this morning.

The Halliburton and Schlumberger units will be deleted from our normal hull policy as we have no primary responsibility for either of those units. This does not effect the basic \$750,000 hull insurance which we carry - it is just simply that they will be deleted.

I requested and secured a trip insurance value of \$1,000,000 rather than \$750,000. This additional insurance will be bound at the same rate quoted for \$750,000. There will be no conflict between the fact that the hull is ordinarily bound for \$750,000 and this increased rate for trip insurance.

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO:

FROM:

CC:

DATE:

SUBJECT: _____

{ All of the foregoing is being confirmed by letter this afternoon to us from Gormly.

In addition to these items concerning the NOLA No. 3, I discussed in detail with him the point you made regarding current daily insurance costs in some form that we could substantiate to Pauley in order that when and if the costs go up, we will be able to secure these increases by passing them along to Pauley. Gormly understands what we mean and is going to confirm that to us by letter within forty eight hours.

NS/dw

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

TO: G. H. W. Bush

FROM: Nolan Stewart

CC:

DATE: November 10, 1959

SUBJECT: _____

The following Kern executives will be in town commencing Sunday the 15th:

Mr. F. M. Ziegler
Mr. & Mrs. H. N. Saunders
Mr. & Mrs. Stevens

Ziegler and Saunders are directors of Kern and Saunders is also a director of Rio Tinto. Mr. Stevens is the manager of Kern California.

all are staying at Shamrock

NS

NS/vf

ZAPATA OFF-SHORE COMPANY
INTER-OFFICE CORRESPONDENCE

✓
TO: G.H. W. Bush
CC: Wayne H. Dean

FROM: Nolan Stewart
DATE: November 16, 1959

SUBJECT: DRILLING CONTRACT - SCORPION

We have this date airmailed five (5) executed copies of the Scorpion drilling contract to Ed Martin in Mexico City and one (1) executed copy to Ed Kliewer in Dallas.

NS/dw

Nolan Stewart

G. H. W. Bush

December 1, 1959

Sam Pearce, Vice-President and Sales Manager of Camco, called today. They received word from Trinidad that Kern was probably going to order some equipment from them, second recovery gas lift equipment. Kern advised Camco's man that our barge was leaving the 15th of December and that they would like the equipment placed on our barge. Would you please call Sam Pearce at Camco and talk to him about this matter.

GHWB/vf

8
ZAPATA OFF-SHORE COMPANY
2518 FIRST CITY NATIONAL BANK BUILDING
HOUSTON 2, TEXAS

Nolan Stewart

G. H. W. Bush

October 22, 1959

As soon as you get back I would like to talk to you about
getting the patent application finalized. Baker, Botts
told me they are waiting on us for some additional information.

GHWB/vf

ZAPATA OFF-SHORE COMPANY
2218 FIRST CITY NATIONAL BANK BUILDING
HOUSTON 2, TEXAS

FOR THE YEAR
1961

1961

STATE OF TEXAS
COUNTY OF HARRIS
I, the undersigned, Clerk of the County of Harris, Texas, do hereby certify that the foregoing is a true and correct copy of the original as the same appears in the records of the County of Harris, Texas.

[Signature]

[Signature]

[Signature]

Nolan Stewart

George H. W. Bush

September 28, 1959

The attached copy of the Mortgage No. 1 should be forwarded to Venezuela. It should be kept with the ship's papers on board the vessel. Also the attached notice should be framed and kept in the chart room and the master's cabin of the vessel.

GHNB/vf
Enc.

Nolan Stewart

G.H.W. Bush

October 9, 1959

I would like to get some information on Trinidad Petroleum Corp. I would like to know what their acreage position is Trinidad is, what their daily production is, and what their outlook is for future expansion. They are a company that is owned a lot by British Petroleum I understand, and they have farmed out some of the acreage to the TNA. However, I have been told that they still own a substantial amount of acreage besides this in Trinidad.

If you could give me some dope on it I would appreciate it.

GHWB/vf

Nolan Stewart

G.H.W. Bush

August 25, 1959

Letter from Sandy McCormick

Nolan, please speak to me about this when you get a chance.

GHWB/vf
Att.

Nolan Stewart

G.H.W. Bush

August 20, 1959

William-MacWilliams Industries, Inc.

I am having a meeting Monday in my office with Mr. L. R. Thornton, President of Williams-MacWilliams Industries, Inc. If possible I would like you to be at the meeting which will be at 2:00 p.m. to discuss the construction offshore of the Trinidad job.

GRNB/vf

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a fast telegram	
TELEGRAM	☐
DAY LETTER	☐
NIGHT LETTER	☐

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E

WESTERN UNION

TELEGRAM

1206 (4-55)

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	☒
LETTER TELEGRAM	☐
SHORE-SHIP	☐

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			Zapata Off-Shore CA 2-0395	6/16* 10:15

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

CABLEGRAM *** FASTEST WAY**

George

**STEWART PIARCO GUEST HOUSE
PORT AU-SPAIN TRINIDAD**

**NOLAN STEWART-RECEIVED INQUIRY SKINNER DESIRES PURCHASE MOBILE
BARGE ONE HUNDRED FOOT WATER ONE YEAR CONTRACT START JANUARY
FIRST GULF OF PARIA WATERS. MAKE CONFIDENTIAL INQUIRY AND WIRE
FINDINGS.**

DEAN - ZAPATA

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

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeatable message rate is charged in addition. Unless otherwise indicated on its face, this is an unrepeatable message and paid for as such, in consideration whereof it is agreed between the sender of the message and the Telegraph Company as follows:

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 unrepeatable 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 repeated-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 each 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 repeated-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 ninety 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 96 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)

Economical 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.

Nolan Stewart,

G.H.W. Bush

July 31, 1959

When you have a chance please talk to me about the Peter Whiteford matter. I had a long talk with him in the Houston Club the other night and I think there is a way we can do some good here.