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FOIA MARKER

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

OA/ID Number: 25853
Folder ID Number: 25853-005

Folder Title:
[Reading File] October 1, 1960 to December 31, 1960 [1]

Stack:	Row:	Section:	Shelf:	Position:
G	5	1	4	1

December 30, 1960

Mr. James H. Stucki
Fontana Dam,
North Carolina

Dear Mr. Stucki:

We have informed our transfer agent, First City
National Bank of Houston, about your lost stock
certificate covering 100 shares.

I am sure our bank will be in touch with you
about how to handle this matter. Please let us
know if we can be of any further help.

Yours very truly,

George H. W. Bush

GHWB:bb

December 30, 1960

Mr. Drew Cornall
Drew Cornall, Inc.
P. O. Box 1267
Lafayette, Louisiana

Dear Draw:

On entering into the new operating contract, I think we both felt it would save Zapata money. On further analysis I am wondering if this is the case.

Today Jerry Rudolph presented me with the attached sheet which shows what we have been paying over the last months. I would appreciate your getting someone to analyze these figures and then we can talk about the overall picture. Under my calculations it looks like the operation will cost us \$5,425 a month, whereas it has been costing us around \$4,000 a month. Perhaps I am overlooking something in the figures as I think we went over them at the time of negotiating the contract and we both felt it would result in a savings to Zapata.

After you have had a chance to review the figures, would you give me a call, or if I am not here talk to Ian Figart or Frank Allen.

Yours very truly,

George H. W. Bush

GEHWB:bb
Attachment

Withdrawal/Redaction Sheet

(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01. Letter	From George Bush to George Blagden RE: Financial information (1 pp.)	12/30/60	C	
COLLECTION George Bush Personal Papers Zapata Oil File Business Correspondence Files				
FILE LOCATION [Reading File] October 1, 1960 to December 31, 1960 [1 of 2] OA/ID Number Date Closed 01/04/00				

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]

December 30, 1960

Mr. Ken Shaffer
The California Company
800 The California Company Bldg.
New Orleans, Louisiana

Dear Ken:

Attached is the brochure on the underwater completion method about which I phoned you yesterday. We are putting together a group of companies to actually use this method in the drilling of a well in the Gulf of Mexico. Both CATC (Ken Kendrick) and Mobil Oil (Ed Downing) have indicated their companies will probably participate. The plan calls for one company's drilling the well on its lease. A group of approximately five companies would then contribute to the extraordinary costs of drilling.

General Dynamics estimates that their technicians and the service fee on the first well will run about \$3,000 per day. On top of this will be a rental of \$175,000 for the use of the equipment. They expect future costs to be substantially less. Based on a 60-day well, the extraordinary costs would approximate \$250,000. What we would like to do is get five companies each to contribute \$50,000.

If your company or any of your associated companies are interested in this plan, I would suggest we set up a meeting either in New Orleans or San Francisco with your representatives and representatives from General Dynamics, Electric Boat and Zapata. The present plan calls for drilling to commence in 7 - 10 months.

I would like to mention that a great deal of work has gone into this method over the last few years. The basic principles have been tried and proven in submarines for many years. We are convinced this is the best method yet put forward to open up the vast horizons lying in the deeper waters.

Needless to say, any consideration of the above proposal is completely without obligation to you whatsoever. The only thing we do ask is that your people treat the information they receive as confidential.

With best personal wishes for a great 1961,

Yours very truly,

George H. W. Bush, President

GHWB:bb
Enclosure

December 30, 1960

Mr. Bill Pagen
Pauley Pan American P
Petroleum Company
Ten Thousand Santa Monica Blvd.
Los Angeles 25, California

Dear Bill:

Due to the holidays and the unavailability of lawyers, I have not been able to answer your letter of December 21st. You will be hearing from us soon.

Best wishes for the New Year.

Yours very truly,

December 30, 1960

Mr. Baine Kerr
Baker, Botts, Andrews & Shepherd
16th Floor - Esperson Building
Houston 2, Texas

Dear Baine:

The enclosed letter needs some polishing up.
Would you please look at it and make any
suggestions which come to mind.

Yours very truly,

GHWB.bb
Enclosure

December 30, 1960

Mr. A. G. Gueymard
First City National Bank
Houston, Texas

Dear Guey:

As you know we have recently settled our long dispute with Kern, and shortly we will have far more cash in our company than we feel advisable to keep, in the light of our debt picture.

We are considering pre-payment of certain of our obligations. For example, we pre-paid five current installments of our supply company debt to Oil Well Supply Company. In this connection we would like to pre-pay six installments (\$240,000) of our bank debt with the pre-payment to apply on the front end of the debt. In addition, we would undertake to continue our regular monthly payments as scheduled. The net effect would be that we would be paid up six months in advance at all times.

Our reasons for wanting to pre-pay in this fashion are two-fold: (1) Scheduled pre-payment would vastly improve our current ration. We are continually talking about making deals with other companies and an improved current ration would be most helpful when balance sheet work is done. (2) Past history in our industry shows our business is subject to wide fluctuation. During a time of low activity in the offshore industry we have found it is almost impossible to acquire financing with offshore rigs as collateral. Therefore, we feel it is more conservative from the company's standpoint to pre-pay on the front end of our debt.

Scheduled pre-payment will have the effect of giving us relief in the event business becomes really bad; whereas pre-payment on the back end of the debt would not have this effect. We feel our industry is unique in this regard.

We hope you will be able to give favorable consideration to our method of pre-payment.

Yours very truly,

ZAPATA OFF-SHORE COMPANY

George H. W. Bush, President

GHWB.bb

December 29, 1960

Mr. A. G. Gueymard
First City National Bank
Houston, Texas

Dear Guey:

The Board of Directors has authorized the repurchase by Zapata of 15,000 to 20,000 shares of its own stock, at a price not to exceed \$5.00 a share. Over the last couple of months we have bought approximately 13,500 shares.

At the time of this action our attorneys checked our loan agreement and advised us this policy was not in conflict with the covenants of the loan agreement. However, I did want to call this matter to your attention in the event your interpretation of our agreement may be different. We do not plan a wide-spread stock purchase program at this time.

Please let me have your comments on the above should your views be at variance with ours.

Yours very truly,

ZAPATA OFF-SHORE COMPANY

George H. W. Bush, President

GHWB.bb

December 29, 1960

Mr. John Mitchell
General Dynamics Corp.
1 Rockefeller Plaza
New York, New York

Dear John:

Talked today with Ken Shaffer of California Company. He tells me he will discuss this with his own people and Standard of California in San Francisco.

Yesterday Nolan Stewart and I visted with Mr. Kendrick again. Tomorrow his managers are meeting and he hopes to have some word for us. Mr. Haight, former Creole president and now Vice President of Humble, to whom Ken talked about the project, is out of town until next week. We may talk to Raglund again in his absence now that we have something firm.

Yours very truly,

George H. W. Bush

GHWB.bb

December 27, 1960

Mr. Lewis W. Douglas
Mutual of New York
1740 Broadway
New York 19, New York

Dear Mr. Douglas:

Just a note to let you know that in today's mail we had an offer of settlement from the Kern people which we plan to accept.

We will end up with about \$120,000 less than we felt entitled to and \$30,000 less than we offered in settlement; but we feel we must take this course of action.

I can't tell you how much I appreciate your interest. I was reluctant to call, but you were so helpful that I am delighted that I did.

I hope you and all your family had a wonderful Christmas.

Yours very truly,

George H. W. Bush

GHWB:b

December 27, 1960

Mr. John J. Radfern, Jr.
P. O. Box 1747
Midland, Texas

Dear John:

I have been such a poor trustee that I do not feel worthy of wearing that beautiful Italian silk tie. Nevertheless, many, many thanks to you and all the family.

I was in Midland for Mickey Voltz's funeral, but unfortunately missed you again. Please be sure to let me know when you plan to be down this way.

Seriously, I do wish there was more I could do in my capacity as trustee. When you feel I should resign in order to put in a trustee who will be in closer touch with the situation, please let me know.

Love from all the Bushes.

CHWB
bb

December 23, 1960

Mr. T. J. Devine
375 Park Avenue, Rm. 1906
New York, N.Y.

Dear Tom:

Thank you for the various letters. Our consolidated financials will not be available due to a temporary shortage in accounting and lateness of dope from Venezuela and Trinidad. However, the estimate shows that we will do about \$75,000 for the month, or roughly the same as last month. The various rigs did approximately the following:

Nola 3 - roughly loss \$35,000. We did not start getting full income until November 10th. We had the boats on the payroll for over a month and we had late charges totaling about \$15,300 from Trinidad.

Nola 1 - made a lot of money in Trinidad, somewhere above \$50,000.

Scorpion - made \$24,300, supplies and repairs were up on this one.

Vinegarroon - made \$37,000 - the difference primarily was due to the reduced daily rate for being in shallow water.

The Nola 3 is the only weak spot. The weather has been terrible. We have been off location almost continually and we are going to lose a pile of money for December on this rig. We are talking to California Company today about some relief. The other rigs seem to be getting along fine, although we are drilling ourselves out of business in Trinidad. Trinidad should have a good month. We have some payments out for additional Trinidad work which along with some relief from California Company or California Company permitting us to drill the shletered locations would answer all our problems.

I talked to Herbie yesterday. He had not yet talked to Macomber. However, he was impressed with Duke's work and felt that it might be well to ride on this report for a while. My feeling on this is that it really all depends how much McKinsey thinks they can do for us and what it would cost. One possible alternate to McKinsey is to keep Duke on using the money we would have paid them to offset his salary and we would have a full time person available for this type of thing and other duties. Give it some thought.

December 22, 1960

Mr. John M. Lovejoy
59 Wall Street
New York, N.Y.

Dear Mr. Lovejoy:

Thank you for your letter of December 20th. I can certainly understand that D&E do not want to expand in the domestic drilling business and in fact I can see their reservations about contract drilling in general. However, I do feel that offshore is an area in which the company should be interested. We are not interested purely in owning tools to do contract drilling. We are interested in them as a means to an end.

Wouldn't there be a possibility of approaching a deal with Zapata on the following basis.

1. D&E would make a deal with Zapata in order to acquire a good deal of know-how in the offshore area.
2. Zapata's existing equipment is operating profitably, has a large cash flow, and appears reasonably sure of operating profitably in the future.
3. Using this as a basis D&E would be able to participate more readily in offshore projects. Heretofore the major companies alone have done most of the drilling but we finally believe that more and more aggressive smaller companies will appear on the offshore scene.
4. Zapata has operated abroad and as foreign offshore drilling increases, which is inevitable, there will be a large area of compatibility between D&E's existing foreign work and Zapata's.
5. D&E would emerge with some young and aggressive members of a management team.
6. Zapata's financial position is such that it would not weaken the D&E picture. In fact on a cash flow basis it would add considerably to the D&E picture based on the prices of the stock today. Zapata could show more earnings by using lower rates of depreciation but just have not felt that this was the conservative thing to do.

Page Two
Mr. John M. Lovejoy
December 22, 1960

7. Zapata already has some gas production. We own 35% working interest in a gas field which we discovered in the Gulf of Mexico and which is not fully developed. It is possible this existing production, when fully developed, will bear the same proportion to this company as D&E's existing production bears to its contract drilling. Right now admittedly this is an optimistic outlook but it is worthy of consideration by D&E.

8. Participation in this important new area, namely offshore, could, it seems to me, be a spark plug effect for D&E.

In conclusion I feel that we have the same type of people in both these company and the same general objectives. Frankly I would like to see this deal made more than any that we have even thought about. I would appreciate your running this past some of your associates there if you feel that it has any merit at all. I don't want to harass you on this matter but I am confident that the two companies together would do appreciably better than either one alone.

I certainly will drop in to see you on my next visit to New York, but if in the meantime this makes any sense at all in the light of my comments above I would like very much to look into the matter.

Very truly yours,

George H. W. Bush

GHWB/vf

CHMB/AT

George H. W. Bush

Very truly yours,

I thought you should know that at this stage of the game we don't believe the proposal in your letter of December 20th would be of interest to us.

As we analyze it our principal acquisition would be 1,000,000 shares of Preactor, the Turkish acreage and the interest in the Louisiana well. We are trying to do some more checking on Preactor since it appears to be the key to this deal. We are continuing to work on this and I hope that we will have more information shortly.

Thank you for your letter of December 20th. I do not believe that we would be interested in a deal such as is outlined in your letter of December 20th. Our problem is this, in trying to evaluate what we would be acquiring and what we would be paying we must consider Zapata stock around the market. If we put out 40,000 shares of stock we would be paying out approximately \$240,000. In addition we would be putting out \$350,000 in cash. If we acquired all of Preactor we would get back \$140,000, so our net cash outlay would be \$210,000. We, therefore, would be paying approximately \$450,000 for Preactor.

Dear Wilbur:

Mr. Wilbur Z. Sherman
Preactor Company
Republic National Bank Bldg.
Dallas, Texas

December 22, 1960

December 22, 1960

General Georges F. Doriot
American Research and Development Corp.
The John Hancock Building
Boston 16, Mass.

Dear General Doriot:

It was good hearing from you in your letter of December 19th, however, I am distressed about something. I will be out of the country until March 2nd. It is possible that I might be able to get back two days early.

I am wondering if it would be possible to have our Vice President, W. Nolan Stewart, take my place. We would be glad to prepare some kind of exhibit and I know that he is available and would like to make the trip to Boston. If this would be agreeable to you please let me know. Mr. Stewart is very familiar with Zapata's business and I am confident that he would do a good job, but I leave the matter in your hands and final judgment.

Business is better. Our first quarter ends in December and we will show a profit of around \$200,000 before provisions for Federal Income Taxes. This will compare with a substantial loss in our first quarter last year. The company continues to improve its financial position. To give you an idea, our cash flow for the first quarter will be approximately \$500,000. Our stock does not seem to react but we are determined to continue to improve our financial position and eventually I am confident we will do better in the market.

Best wishes to you and all your associates there for a wonderful holiday season.

Very truly yours,

George H. W. Bush

GHWB/vf

December 22, 1960

Mr. Herbert T. Van Ingen, Jr.
Committee on Admissions
Yale Club of New York
50 Vanderbilt Avenue
New York, N.Y.

Dear Terry:

I noticed that you are on the Committee on Admissions for the Yale Club. I am writing this letter on behalf of my friend Keith W. Blum, Associate General Counsel for Continental Oil Company here in Houston. He is applying for non-resident membership. Keith does not know too many people on the Committee and so I would like to give him this personal word of endorsement. He is the type of man that would be a credit to the Club and if I can furnish any additional information on him please let me know.

I hope that our paths will cross before too long. Ben and the kids are fine and it is hard to believe but Georgie, our oldest, will be going to Andover next year provided he gets in.

Wishing you and yours a Merry Christmas.

Very truly yours,

George H. W. Bush

CHWB/vf

December 22, 1960

Mr. John Macomber
McKinsey & Company, Inc.
270 Park Avenue
New York 17, N.Y.

Dear John:

I have written the attached letter to the Admissions Committee of the Yale Club on behalf of Mr. Keith W. Blinn, now employed by Continental Oil Company here in Houston. Keith is the kind of person that would be a credit to the Club. He travels to New York a good deal for Continental on business. He is their Associate General Counsel.

I realize that second hand endorsements are somewhat misleading but I would appreciate anything you could do for him when his name comes up before the Admissions Committee.

Very truly yours,

George H. W. Bush

GHWD/vf
Att.

Page Two
Mr. G. H. Walker, Jr.
December 22, 1960

We have just received our Venezuela closing out figures, so our statement should be in your hands shortly. We have been a little short-handed in accounting this month plus the fact that we have had quite a large delay in getting the material for our consolidation.

Best regards,

George H. W. Bush

GHWB/vf

December 22, 1960

Mr. G. H. Walker, Jr.
G. H. Walker & Co.
45 Wall Street
New York, N.Y.

Dear Harbie:

We now have some preliminary figures. The Nola 3 operated at a substantial loss for November. Once it got on the payroll the operation was profitable but we were not able to bill California Company until around November 10th. The first few days in November were spent rigging up at the dock. In addition we had some off location time and lastly we will have some late charges for the month of November from Trinidad, these total approximately \$9300. We have elected to charge off certain maintenance work on the engines done at Key West prior to the commencement of the job.

Although it is a little early to say since our consolidated figures are just in the process of being finalized, I now feel that we will do approximately the same in November as we did in October. Had the Nola 3 been on a breakeven basis we should have done substantially better. In spite of the loss of the Nola 3 our other rigs are doing enough better so that we are right on the line for our first quarter projections. You will recall that we estimated \$220,000 before taxes. If our final consolidated figures show approximately the same as last month \$75,000 we will have to do \$70,000 in December to come out on schedule. Our ability to do this depends completely on the Nola 3. We will lose money on the Nola 3 because of the weather but if we can continue to drill for the rest of this month the result may not hurt us too badly.

We have had no complaint about the rig itself and the mechanical end of it seems to be well under control. The weather is much rougher than our weather survey, upon which we planned the job, indicated. If the bad weather continues we hope California Company will let us drill some sheltered locations before completing this well. The only trouble is that they want to get this well down for geological reasons in order to determine the advisability of drilling the others. Our contract is only for one well.

I am sending information copies of to our other directors.

Page Two
Mr. J. E. Clark
December 22, 1960

Sometimes ago General Dynamics talked to Mr. Harpat in your New York office and were advised by Mr. Harpat that Shell was not interested at that time. Since then we have had a visitor from the Hague who indicated that they would be interested in knowing a good deal more about our method. Also at the time General Dynamics talked to Mr. Harpat we did not have in mind this firm proposal for actually trying this method out on a Gulf Coast well.

If you think that anyone in Shell would be at all interested in this I would like very much to suggest that John Mitchell with General Dynamics in New York come over to discuss this plan in greater detail. I am convinced that this is something that will be done in the next few months and we are most anxious to have Shell in the picture. Perhaps there is someone here in Houston or in New Orleans that we should talk to about this. If this is the case I will be happy to do the required leg work.

I know that you will have a white Christmas but let me wish you a very merry one and a wonderful 1961.

Best regards,

George H. W. Bush

GHEB/vf
Enc

December 22, 1960

Mr. John F. Mitchell
General Dynamics Corp.
1 Rockefeller Plaza
New York, N.Y.

Dear John:

Mr. F. W. van Bilderbeek from Shell at the Hague was in our office yesterday. He is supposedly in charge of all foreign offshore production and development. We mentioned to him the sub-sea method and he was extremely interested. I gave him a calling card with a note to you on it and suggested he find time to call on you in New York. He may do this. If not I think it would be worth while furnishing him some information at the following address:

F. W. van Bilderbeek
c/o B.I.P.M.
30 Carel van Bylandtlaan
The Hague

He also volunteered that Mr. Harpet had been replaced. Harpet is going to Midland. Somewhere there in New York we ought to have someone interested from Shell. With this in mind I have today written the attached letter to Mr. Ned Clark. I know that I shall hear from him and will immediately let you know what he says.

Very truly yours,

George H. W. Bush

GHWB/vf
Att.

December 22, 1960

Mr. J. W. Bates, Jr.
Reading & Bates
1502 Philtower Bldg.
Tulsa, Oklahoma

Dear Jack:

Thank you for the copy of your Annual Report.
I will be looking them over with interest.

The other day you mentioned to me that you were doing some business in Alaska. A good friend of mine has worked as a geologist for Atlantic for about 6 years but for some reason he is dying to get on with a company in Alaska. Do you by chance know of any company that would like to hire a geologist. He is a good kid and I think would make somebody an excellent hand.

I hope you have a very Merry Christmas.

Best regards,

George H. W. Bush

GHWB/vf

December 22, 1960

Mr. M. R. Underwood
Underwood Neuhaus & Co.
724 Travis
Houston, Texas

Dear Milton:

Attached is a letter I received today from John M. Lovejoy and a copy of my reply. This is the best deal we have looked at and makes more sense than any because it would be getting production and would be getting into a company that is in excellent condition. They have a reputation for being dead on their feet and I think the merging company would not have that type reputation.

No reply required.

Very truly yours,

George H. W. Bush

GHWB/vf
Enc.

December 22, 1960

Dear Dad,

Herbie took the other interest in the eyeball deal so it's an all family affair.

Today I called Mr. Lewis Douglas to see if he could help us on our large dispute with Kern Oilfields, a Rio Tinto subsidiary. Mr. Douglas has been connected with them in business and his son told me that he thought his dad would be glad to help. Mr. Douglas couldn't have been nicer and he plans to call me back tomorrow or Tuesday with some information which he feels will be helpful to us. The purpose of my mentioning this to you is that he particularly asked that I extend to you his very best regards. If you do run into him by chance I would appreciate it very much if you would remember to thank him for his courtesy and kindness towards me.

By now Santa will have gotten to Grove Lane. He has arrived at our house already in many ways. There is a particularly exciting envelope hanging on our tree along with many packages which Mom sent.

Love to all,

Senator Prescott S. Bush
Grove Lane
Greenwich, Conn.

December 22, 1960

Mr. Eugene F. Williams, Jr.
St. Louis Union Trust Company
323 North Broadway
St. Louis, Mo.

Dear Gene:

Thanks a lot for the confidential memo on Zapata which I will not circulate. It seems to me that the reserve figures look very encouraging. One question that interests me is how many of the reserves are primary and how many are secondary recovery. What is your general feeling about Zapata? I still have my stock as do Dad and some others in our family. Frankly I have been out of touch with the situation since being down here. I believe Herbie gets some figures from time to time from Bob Green but I have not heard from him recently on this subject.

I hope you and Evie and the kids have a wonderful Christmas. We are going to be right here in Houston and excitement is at a fever pitch at home.

Best regards,

George H. W. Bush

GHWB/vf

December 22, 1960

Mr. G. H. Walker, Jr.
G. H. Walker & Co.
45 Wall Street
New York, N.Y.

Dear Herbie:

Porter called yesterday still enthusiastic and optimistic about the electronics deal. He is having a meeting next week to try to finalize an earnest money contract, etc. on this and he is certainly working diligently. My only reservation whatsoever is that we must have the opportunity of looking into this ourselves some way. I asked Porter whether we could go over with him and see the plant but he said this could not be done. He has talked to an engineer who was permitted to go into the plant with the lawyer for the company and apparently the engineer is enthusiastic and would be available to run the business.

All this is fine but the only reservation is that if Zapata is going to end up with the company we should, of course, look carefully into every detail. I think that after the escrow arrangement has been worked out a report will be written by an outside firm. At some point before buying, however, it is going to be essential that we see what we are getting into. I am delighted that Porter is carrying the ball on this matter because it seems certain that had it been us the sellers would not have even been willing to discuss the matter.

In any event it looks hopeful and I will keep in close touch with Porter on this.

Chemical Bank called to my attention a petrochemical deal here in Houston which we are busily checking out. It is a deal which, if all turns out as represented, can be financed 100% on bank money.

Best regards,

George H. W. Bush

P.S. I wonder if you have talked to Bob Green lately and if you have any ideas what Zapata Pet. figures will be for the year.
GHWB/vf

December 22, 1960

Mr. John Macomber
McKinsey & Company, Inc.
270 Park Avenue
New York 17, N.Y.

Dear John:

Here are the Annual Reports which I have gathered
to date on our competitors. Perhaps they will be
helpful in evaluating the situation.

Best regards,

George H. W. Bush

GHWB/vf
Enc.

December 22, 1960

Mr. L. W. Douglas, Jr.
Christiana Oil Co.
9869 Santa Monica
Beverly Hills, Calif.

Dear Pete:

I had a very nice talk with your Father today. No mention was made that you and I had discussed the matter previously. He was very helpful, making a few general comments which were in line with our previous findings and then said he would like to help and would like to talk to a Leo Model in New York who is very close to Val Duncan. You Dad said he would try to call me tomorrow or Tuesday. It was certainly nice of him and I couldn't have been more delighted.

We have billed Kern for a total of approximately . . . \$ 1,200,000
over the course of the contract

Approximately 150,000
of this was reimbursable expense

Our drilling revenue including termination payment
billed to the contract was 1,076,175

Kern currently owes us approximately 446,000
with another \$4000 - 5000 to be added to this figure

Please let me know how this jibes with the information you receive.

Thanks a lot, Pete, for your help. Call on me if I can help you down this way.

Best regards,

George H. W. Bush

GHWB/vf

December 21, 1960

Mr. W. H. Hudson
San Juan #41 Company
Securities Building
Dallas, Texas

Dear Bill:

I talked to Max Lents on the telephone and I am going to send him this memorandum. He would like it on his desk by Monday, therefore, I should mail it by Friday. Please look it over and give me a call as to anything we have omitted. I am not familiar with this field so I may have left out some important points.

Lents says that he can do this promptly and might be able to get it done next week. I have not finalized a price with him but we are prepared to pay one-half of whatever it costs. Please let me know if this is not agreeable to you.

O'Connor has called several times today and I have an appointment with him tomorrow. I am sending a copy of this to Nick Bailey.

Very truly yours,


George H. W. Dush

CHWB/vf

December 22, 1960

Mr. J. E. Clark
Shell Oil Company
50 W. 90th
New York 20, N.Y.

Dear Ned:

It was nice catching a glimpse of you there in New York. You may recall that during our brief visit I mentioned that we are working with General Dynamics on a sub-sea method of completion for offshore drilling.

This method has been thoroughly engineered by the Electric Boat Division of General Dynamics Corp. A description of the method is outlined in the attached brochure. At this stage of the game the attached brochure is somewhat confidential and if you have no interest in the project I would appreciate very much your returning it to me.

In general the theory, which has been tried and tested for many years in submarines, involves placing people on the bottom at atmospheric pressure to do the actual work on the wells. As mentioned above a good deal of engineering has gone into this and General Dynamics and ourselves are now anxious to try a well in the Gulf utilizing this method.

Accordingly we have made a proposal to the CATC Marine Region and to Mobil Oil Company, both of whom requested written proposals. Both companies are extremely interested in pursuing the project. Inasmuch as we cannot approach this thing on an exclusive interest basis the CATC and Mobil both feel we should get participation by other companies. We are now trying to line up about five companies to participate in the drilling of one well offshore.

The General Dynamics proposal involves about \$150,000 for the material required on the first well and \$3000 a day during the drilling of the well for the special people needed. Our plan is to have CATC or Mobil drill the well paying their normal costs for drilling. We would then have participating companies pay the special costs, which I have estimated here. In return for this they would, of course, have access to the drilling for a reasonable number of their technicians. If five companies participate the contribution of approximately \$50,000 per company should be sufficient.

December 20, 1960

Mr. G. H. Walker, Jr.
G. H. Walker & Co.
45 Wall Street
New York, N.Y.

Dear Herbie:

As of this date these people have not returned their proxies. We have in approximately 45%. Maybe Lilly could ask the people there in the office whose names are on the list to send in their proxies. I plan to have a second mailing if we don't get a sufficient amount in within the next 10 days.

Best regards,

George H. W. Bush

GHWB/vf
Enc.

December 20, 1960

Mr. G. H. Walker, Jr.
G. H. Walker & Co.
45 Wall Street
New York, N.Y.

Dear Herbie:

Attached is an analysis of our depreciation for 1960. The approximate \$11,000 which Stuart Cragin noticed was in our G&A account. We take certain depreciation in General Administrative principally on office furniture, fixtures and automobiles. I am delighted that Stuart looks at our statement so closely.

I started working yesterday on a petroleum chemical deal which was brought to my attention by the Chemical Bank in New York. It may be of real interest provided their contracts are as certain as they now represent. I will keep you advised.

Best regards,

George H. W. Bush

GHWB/vf
Enc.

Withdrawal/Redaction Sheet

(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
02. Letter	From George Bush to G.H. Walker, Jr. RE: Financial information (1 pp.)	12/20/60	C	
COLLECTION George Bush Personal Papers Zapata Oil File Business Correspondence Files				
FILE LOCATION [Reading File] October 1, 1960 to December 31, 1960 [1 of 2] OA/ID Number Date Closed 01/04/00				

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]

December 19, 1960

Mr. T. J. Devine
607 Midland National Bank Bldg.
Midland, Texas

Dear Tom:

In answer to your letter of December 13th, I agree with your comments. I personally am not too enthusiastic over Reading & Bates.

Drilling & Exploration would be terrific. They have a good deal of production. Zapata Petroleum did talk about a deal a long time back but the problem was the big discrepancy in price. They have de-emphasized on drilling business and their foreign set up is pretty good. It could, of course, be improved. The big thing is their production and their financial position. They are listed on the American Stock Exchange, as you may know.

Your feelings of caution on Brewster-Bartle hit the nail on the head. I have talked no more with them.

I will keep you advised.

Best regards,

George H. W. Bush

GHWB/vf

Withdrawal/Redaction Sheet

(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
03. Letter	From George Bush to Tom Devine RE: Financial information (1 pp.)	12/19/60	C	
COLLECTION George Bush Personal Papers Zapata Oil File Business Correspondence Files				
FILE LOCATION [Reading File] October 1, 1960 to December 31, 1960 [1 of 2] OA/ID Number Date Closed 01/04/00				

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Withdrawal/Redaction Sheet

(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04. Letter	From George Bush to Prescott Bush RE: Financial information (1 pp.)	12/19/60	C	
COLLECTION George Bush Personal Papers Zapata Oil File Business Correspondence Files				
FILE LOCATION [Reading File] October 1, 1960 to December 31, 1960 [1 of 2] OA/ID Number Date Closed 01/04/00				

RESTRICTION CODES

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 F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

December 19, 1960

Dear Uncle Lee,

How nice of you to write. We did not get up to New Haven for any of the football games this year. Unfortunately I had to do a good deal of traveling and we could not make it to New Haven.

I am looking forward to receiving the book.

Bar and all five kids are fine. Georgie, our oldest, has taken his exams for Andover and I hope will be going there next fall. He will then be 15. The others are just starting out in the grammar school routine.

Please give our best regards to Mrs. Nettleton. It is such a treat to hear from old friends at Christmas time and we ~~will~~ be thinking of you.

Best regards,

Mr. Lee Wallis Gibbons
Northford, Conn.

December 19, 1960

Mr. George Cook
Fiberglas
717 Fifth Avenue
New York, N.Y.

Dear Walyo:

The picture in the New York Times Friday, December 16th did you proud. I am taking it home for our family scrapbook since we like to know big wheels.

Thanks a lot for your good letter. We loved the Christmas card with the picture of the kids. They look frighteningly like you, however. I hope that you have a wonderful Christmas and that 1961 brings us together more often.

Congratulations again on your new appointment. Why not go to Mexico via Houston some time and spend the week-end with us on the way. They have a jet that leaves from Houston and only takes 1 hr. 40 min. to Mexico City.

Best regards,

George H. W. Bush

CHWB/vf

December 19, 1960

Mr. W. R. Pagen
Pauley Petroleum Company
10000 Santa Monica Blvd.
Los Angeles, Calif.

Dear Bill:

I was sorry to get your letter of December 15th which rejected our offer of settlement. I am afraid this leaves us very little alternative to arbitration or litigation.

We are not at all eager to do this, although our attorneys have reviewed this matter again and are confident of the outcome. They feel our contract is very clear on the point in question.

Nevertheless, in a final effort to avoid a drawn out and costly dispute I would like to have you look at your maximum cost involved in the defense and let us know what this would be, if you still feel this would be a basis of settlement. I am not too hopeful that the figure will be one to which we can agree but my thinking is that we have never had a law suit over a dispute yet and we don't want to, so perhaps if you can stretch a point on these costs we can work out some kind of settlement.

Best wishes for a Merry Christmas.

Very truly yours,

George H. W. Bush

GHWB/vf

December 19, 1960

Mr. J. Porter Brinton, Jr.
500 Fifth Avenue
New York, N.Y.

Dear Porter:

I am delighted to hear that you will be down for the Board Meeting on January 9th. The stockholders' meeting is set for 10:00 a.m. but it is not at all necessary that you be here for that. There will be small attendance and the business will be mostly routine. I do not know what plane you will be taking but Delta's Flight 873 leaves New York at 9:50 and arrives Houston at 1:28. Therefore, I am scheduling the Directors' Meeting for 3:00 in the afternoon. There is a non-stop flight, National 966, which leaves Houston at 8:55 a.m. and arrives Tampa at 1:15. I appreciate your making this effort and we will be able to cover a lot of ground. I will furnish you an agenda prior to the meeting.

The drilling company that appeals to me most is still Drilling & Exploration but I have not received an answer to my preliminary inquiry as to whether there would be any interest on their part.

The Florida weather has been bad and will cost us. We were back on location yesterday, however. Figart and Stewart both just got back from Trinidad and they had some encouraging things to report on our floating drilling both in Trinidad and Venezuela.

I am glad John Macomber came by and I am pleased that your talk was satisfactory.

Not much else to report. I hope that you have a wonderful Christmas and will look forward to seeing you on the 9th.

Best regards,

George H. W. Bush

GHWB/vf
bcc: G. H. Walker Jr.

December 16, 1960

Mr. Hadley Case
Case, Pomeroy & Co.
285 Madison Avenue
New York, N.Y.

Dear Hadley:

You may remember Russ Mosby who used to be with our company. Russ left us and went with an offshore exploration company. Recently he was out in Midland on some other business and ran into Peck Hardee and Walter Walne. They told him of your continuing interest in offshore.

I think that Russ is not too happy with his present connection and it entered my mind that he might be a valuable man for Felmont and Essex to have in this part of the world. He is very good on engineering and has had an awful lot of practical offshore experience both in drilling and production. I would be happy to give you additional information on him if you feel that a man like Russ might fit into your picture either as an employee or on a retainer basis. I do know that he would be interested and I can recommend him highly on the basis of his work with Zapata.

We have had a prologged fishing job on the Mobil well so we still have not finished. I am most anxious to get our next Block 86 well down in time to help on the reserve redetermination which is due April 1st.

Here's hoping you and all your family have a very good Christmas and a prosperous 1961.

Very truly yours,

George H. W. Bush

GHWB/vf

December 8, 1960

Mr. Tilman J. Falgout
P. O. Box 336
Galveston, Texas

Dear Tilman:

As you know we have had many meetings with Kern trying to settle the dispute. We feel that their claims are groundless, but nevertheless we are advised by our lawyers that litigation or arbitration would be extremely long and expensive.

As I mentioned to you earlier, part of the Kern claim is that the boats were unsatisfactory. We feel that this is as groundless as the rest of the claim; nevertheless, it is in the picture. Kern has made us an offer of settlement whereunder they will pay us \$270,000 in full settlement of the account. This offer is not satisfactory to us since Kern includes in this amount approximately \$50,000 worth of reimbursables. We are considering trying to get them to pay us in full for the reimbursables and then pay us the \$270,000 on account. Zapata is only willing to do this if you will be willing to take a proportionate reduction along with us. The boat income equals 17.8% of the amount billed but uncollected. In other words should this be agreeable to you and should we accept Kern's offer we will come up short by \$132,792. We would ask you to absorb 17.8% of this--namely \$23,627. This would leave Zapata short a total of \$109,165. This would be in full payment for all services billed or to be billed by your company to us in connection with the Kern work. It would not, of course, effect the income from the Texaco job.

CHB/41

George H. H. Bush

Very truly yours,

For your information I am attaching a copy of a report written for me by Howard Duke. This report does not need any acknowledgment but I feel that Duke has done an excellent job on this project and I wanted you to see what he has come up with. You will recall that Duke has had 17 years of experience in the drilling business having been in charge of a large drilling operation for Shell in Venezuela.

Gentlemen:

BOARD OF DIRECTORS

December 14, 1960

December 14, 1960

Mr. V. H. Van Horn, Jr.
P. O. Box 832
Midland, Texas

Dear Mr. Van Horn:

I am delighted that you wrote to me about Dr. Ann Whitaker and I will be happy to hear from her.

Let me say first that I am sorry to hear about your young son, Robert, who has leukemia. Today there are many exciting things going on in this field, however, and I am extremely hopeful that some day soon a cure will be found. Perhaps it will come in time to help your boy.

Our experience with leukemia was principally through the Memorial Center for Cancer and Allied Diseases in New York. Sloan Kettering is an exceptional institution and I am sure that you know about it. If you should ever require checking in addition to that which you are receiving in Dallas I most highly recommend Sloan Kettering. It is an inspirational place in every way.

Thank you again for writing and I hope you and your family have a Merry Christmas.

Very truly yours,

George H. W. Bush

GHWB/vf

December 14, 1960

Asiatic Petroleum Corporation
1 Rockefeller Plaza
New York 20, N.Y.

Attention Mr. L. J. Van Dijk

Gentlemen:

With reference to your letter of December 12th written to ascertain our interest in bidding on your Kuwait offshore work, please be advised that we are extremely interested in this project and will be in touch with you with answers to your questions.

Thank you for considering our company for the drilling on this new offshore concession.

Very truly yours,

George H. W. Bush

GENE/vf

cc: Mr. J. A. Wirtensohn

December 14, 1960

Mr. F. H. Pennington
Socony Mobil Oil Company
P. O. Box 900
Dallas, Texas

Dear Mr. Pennington:

Enclosed is the original and one copy of the Satisfaction of Mortgage covering the Nola 3, (Magnolia Drilling Barge No. 5). Will you please have this instrument executed and acknowledged and return to this office.

Thank you for your assistance in this matter.

Very truly yours,

Vivian Flynn (Miss)
Secretary to Mr. Bush

/vf
Enc.

J. A. Rudolph

December 14, 1960

George H. W. Bush

Please work me up an estimate making various assumptions on the loss of time in Florida in December to see what this loss of time will cost us.

On the office space deal yesterday the banker merely asked if we would change our position and I told him no, so he will let me know something later on.

GHWB/vf

Ian Figart

December 14,

George H. W. Bush

Taylor, Duke and I went down and looked at the yard in Galveston. Let's talk about the right answer for this situation. We need to either improve the facilities we have there or get something different.

GHWB/vf

December 13, 1960

Mr. G. H. Walker, Jr.
G. H. Walker & Co.
45 Wall Street
New York, N.Y.

Dear Herbie:

I have written the attached letter to John Lovejoy. The more I look at companies in our business or similar businesses the more I think a deal with D&E would be appropriate. They have production and financially they are in good shape. They are bigger than we are but on a combined basis the companies would be much stronger.

After our last experience I doubt that anything will come of this letter but I think it is important to explore all possibilities.

Best regards,

George H. W. Bush

GEWB/vf
Enc.

December 13, 1960

Mr. John Lovejoy
Brown Bros. Harriman & Co.
59 Wall Street
New York, N.Y.

Dear Mr. Lovejoy:

Attached is a copy of our Annual Report. We are not pleased over our income for last year, but we are pleased by the improved financial position of the company and by the general climate for offshore drilling. It is good and looks like it should continue at a high level. So far this year our earnings are doing better.

Sometime ago we talked about a possible deal between Zapata Petroleum and Drilling & Exploration Co., but the deal was of no interest largely due to the discrepancies existing in the stock prices at the time.

I am wondering if now there could be renewed interest in putting D&E and Zapata Off-Shore Company together. The combination of offshore and foreign drilling makes sense. We have a young aggressive outfit and I think personnel wise would have few if any conflicts.

With D&E and Zapata covering foreign and offshore drilling there are a couple of other deals that could fit in to the picture and give us a dynamic set up for moving ahead.

I think it makes sense. I hope you agree. Best wishes to all the family for a very Merry Christmas.

Very truly yours,

George H. W. Bush

GEHB/vf

Enc.

December 13, 1960

Mr. Hugh Saunders
Kern Trinidad Oilfields, Ltd.
Barrington House
59 Gresham
London, E. C. 2

Dear Hugh:

This is further in reply to your letter of December 5th.

Let me say at the outset that we appreciate the detailed consideration which you and Mr. Sear have given to Zapata's position in this matter and fully realize that your most recent offer represents a substantial concession on Kern's part.

It might be helpful at this point to recapitulate Zapata's liquidated claims against Kern, all of which have been invoiced except that portion of the termination payment which has not yet accrued. These claims are as follows:

Contract reimbursables (as accounted for through November 30, 1960)	\$ 44,155
Termination payment (all of which will have accrued on January 6, 1961) . . .	78,192
Earned day rate (July through September, 1960)	<u>324,600</u>
	\$ 446,947 (U.S.)

First, as to the reimbursables.

Our accounting department advises me that we may expect additional reimbursables to be booked before our accounts are closed on this operation and that the final total will probably exceed \$50,000. These items represent goods and services which Zapata purchased at the request of authorized Kern employees as provided in the contract and none of

Page Two
Mr. Hugh Saunders
December 13, 1960

which are known by us to be in dispute. We feel that Kern's obligation to make reimbursement in full is entirely separate from any alleged noncompliance under the drilling contract; consequently we see no justification for any reduction in this account for purposes of settlement. For Kern's convenience, however, we are prepared to give Kern the option of paying the \$44,075 now plus other reimbursables as and when booked or, alternatively, paying \$50,000 now in full settlement of any and all reimbursements which may become due under the contract.

Next we come to the termination payment. As you know, we have been advised by Trinidad counsel that Zapata's claim on this account is fully enforceable in accordance with the terms of our contract. Nevertheless, in the spirit of compromise and subject to an otherwise acceptable settlement of this matter, Zapata is willing to waive all termination payment which accrued on or after November 4, 1960 (the day the MOLA 3 commenced operations for The California Company off Florida). This would reduce our claim for termination payment from \$78,192 to \$31,856 (U.S.).

The third and most important item of Zapata's claim is for day rate earned during the months of July, August and September, 1960, and covering operations on G-8 and G-9.

Frankly, we are hard put to see any reason for making any substantial reduction in the amount invoiced for these services. The applicable rates are unequivocally specified in our contract. By all accounts this was the period of the most successful drilling, due chiefly to Kern's abandonment of the inadequate mud and casing programs which Zapata was obliged to follow in earlier wells. In fact, G-9 has been cited by Mr. Thomas and others as an index of reasonable rate of drilling. Certainly no adjustment in the rates for G-8 and G-9 should be required on account of any claimed delay in previous drilling, because each previous invoice was exhaustively reviewed, negotiated, adjusted and finally paid at a net reduction of more than 5% below the sum originally invoiced. Nor do we find in the Thomas report any plausible basis for reduction of invoices for G-8 and G-9. As to G-8 (the last well covered by the Report), statements which we have taken from witnesses who observed the drilling operations first hand effectively refute his claim of Zapata's alleged responsibility for specific instances of "lost time", (Table IV) and rule out the existence of the "appreciable but intangible" loss of time which he generally infers (Par. 59). As to G-9, you are aware of Mr. Thomas' admission in London that no time was lost by Zapata.

However, in an effort to reach a satisfactory settlement of the dispute we have taken at face value the 2 1/2 hours of time lost on G-8 which Mr. Thomas "attributed" to Zepeda (Tables I and XII) and have assumed that they were charged at the maximum operating rate of \$4,252 per day. This results in an alleged "overcharge" of \$44,158 (U.S.). Subject again to an agreeable overall settlement of this matter we are willing to reduce our day rate invoices by that amount.

In summary our total bills rendered or yet to be rendered equals about \$452,792 (U.S.). We are willing, without prejudice, to accept \$361,898 (U.S.) in full payment for all accounts billed or unbilled. This is a very substantial reduction of final billings for this operation and represents our firm conclusion after careful analysis of our legal position in this matter.

I would be less than candid if I did not advise you that our American and Trinidad attorneys have, since your visit to Houston on November 8th, continued to take statements and prepare this matter for arbitration. We sincerely hope that our differences will be settled amicably and in any event we have no intention of delivering a formal notice of arbitration without first giving your attorneys an opportunity to consider mutually desirable alterations in the mechanics of arbitration provided in our contract; but as we feel that this matter should not remain unresolved for any considerable additional period, I should very much like to have your reply to this letter by December 27, 1960.

Very truly yours,

George H. W. Bush

GHB/41

cc: E. E. Murphy
J. G. Furness-Smith
L. M. Allen
H. C. Duke

December 13, 1960

TO THE BOARD OF DIRECTORS

Gentlemen:

From time to time we have talked about various mergers outside of our own business.

I think it is also important that we keep in mind the possibility of making a deal with another company in our business provided the emerged company would be a stronger entity and one capable of making money. There are three companies that might be possibilities for a deal and I will look into these situations in the near future.

1. Brewster-Bartle. Although Brewster-Bartle is not in the offshore business as such it is a well known firm in the inland drilling barge business. It has a good record of earnings and it is in excellent financial shape. The main stockholders are Sid Brewster and Bill Bartle, both men about 63 years old. The company's stock is listed on the over-the-counter market. I am attaching some financial information on this company. The principle investment bankers are Bowles, Winston. They would like to see a deal made. The pros and cons are as follows:

Pros - The new company would be much stronger financially since Brewster-Bartle has good working capital and their long term debt is not due for a long time. We would have a strong operating organization since Sid Brewster would remain on for a period of time and since their executive vice president, John Demareq would also stay in the picture. Mr. Brewster is an old time oil field type who knows many people while John Demareq was formerly a vice president of Standard Oil Co. of California and one of their bright young men. Brewster-Bartle is very eager to work up oil reserves and a merged company could take a much more active part in exploration.

Cons - We would be acquiring more drilling equipment and although Brewster-Bartle has been successful in keeping their inland barges working it is possible that when Mr. Brewster got out of the picture we would not enjoy the same advantage that that company has heretofore enjoyed.

I would appreciate your ideas on this. I have made a statement to Mr. John Lowrey one of the directors of DGE and perhaps we will get an indication as to whether this makes any sense at all.

are not afraid of it. get DGE interested. Also DGE has been in the drilling business and because of the special nature of offshore it is possible that we could companies just don't want to get into the drilling business. However, a company in the oil business who is purely in production. Production emphasis on drilling equipment we will never be able to make a deal with we have looked at this one appears to me the most. Because of our the merged DGE-Zapata once the first step was taken. Of all the deals in the future. There are other deals which could well be in with would tie in with the foreign work which we hope to be doing. Their drilling activity is limited principally to foreign areas. This

than it is at present. a compromise of control that our picture would be a good deal stronger I think if we could make a satisfactory deal with DGE and emerge with is much more attractive now and we do not have the stock price problem. get DGE interested again we might make a deal. Our offshore picture prices on the two stocks at the time. My feeling is that if we could raised to DGE but the deal fell completely apart because of the Herbie Walker will recall that at one time Zapata Petroleum Corp. president, which rider, has been very sick and is about to retire. with no debt and a fair amount of production. I am told that their American Stock Exchange. They are an old, well established company to the one I would like to make the most. DGE are listed on the 3. Drilling & Exploration Company. Of all the deals this

the deal might not be too bad. there appears to be a good deal of work for these centers! It true Bates tells me that the center business has come back strong and have not been to impress with the ownership of centers although 2 of the 3 company owned offshore units are drilling centers. We this time. One of the concerns I have about heading a Bates is that important one to Zapata perhaps we could work something out along deal to Jack Bates run the company. If this deal were an extremely to about \$140,000 per month. They would only be interested in a company debt will be paid off in full this spring. Their cash flow and financial shape. They told me today that the bank and supply and I will have a copy of it. Therefore the company has been in make a deal with us. Their Annual Report is being mailed this week McClain president of the Texas National Bank. They would like to their president, Jack Bates, and one of their directors, J. H. operate 5 rigs and own 3. From time to time I have talked with 2. Reading & Bates Offshore Company. Reading & Bates

December 7, 1960

Mr. Virgil Fletcher
Asiatic Petroleum Company
1 Rockefeller Plaza
New York N. Y.

Dear Mr. Fletcher:

Utilizing our mobile floating drilling method we have been operating in the Gulf of Paria--Trinidad for Texaco-Trinidad. We believe that the performance of our rigs has been entirely satisfactory to the operator.

We are told that the TNA group has a large drilling program to be conducted in 1961. Inasmuch as Shell is a participant in the TNA group we are very anxious to have as much data about our floating drilling method in the possession of the proper people since we feel this new method of drilling is ideally suited to the TNA needs in Trinidad. The attached paper sets out certain features of our method and gives you some facts on our performance. We believe this method if employed by TNA will result in a considerable saving over large mobile drilling barges or fixed platforms.

If you need any additional information on our method we would be delighted to furnish it to you.

Very truly yours

George H. W. Bush

GHWB/vf

December 12, 1960

Mr. Julian R. Holzer
Holzer Watch Co. Inc.
420 Madison Avenue
New York 17, N.Y.

Dear Mr. Holzer:

This will confirm my telephone order of today for twelve (12) gold filled Universal watches #8712. The engraving should read as follows:

ZAPATA OFF-SHORE CO.
5 yrs.

I am attaching our check for \$684 being \$55 per watch plus \$2 per watch for engraving. In addition I would like to have you put the following initials on 9 of the watches: I.F. - H.S.T. - J.A.R. - H.H.B. - I.J.D. - K.L.R. - M.R.U. - J.T. - C.J. Please bill us separately for this additional engraving.

It is most important that we receive these watches by Monday of next week. Will you, therefore, ship all twelve watches to us registered mail, to my attention at the above address. You may bill us for the additional engraving along with the postage.

Thank you for your help in this matter and I hope you have a happy holiday season.

Very truly yours,

George H. W. Buzh

GHWB/vf
Enc.

December 12, 1960

Mr. John F. Mitchell
General Dynamics Corporation
1 Rockefeller Plaza
New York, N.Y.

Dear John:

Kendrick called today. At the meeting he made the recommendation that CATC join the other companies. The committee did not act but he feels they will go along. In addition he talked to Duke Haight, formerly president of Creole and now executive vice president of Humble. He told Haight about CATC's interest in this method and asked Haight to look into possible participation by Humble. He also told him that one Humble engineer had turned down the idea.

I think the next step is to follow up on Mobil and to try to get a commitment out of them. This we can do on this end. I understand that you will talk to Nelson in New York.

Very truly yours,

George H. W. Bush

GHWB/vf

December 12, 1960

Mr. Earl Kipp
Standard Oil Co. of California
P. O. Box 3495
San Francisco, California

Dear Earl:

I have not talked to you recently but I did want to call to your attention the performance of our floating drill barge now operating in Trinidad. The attached sheet gives you some idea as to the number of wells we have drilled. We have made a couple of dual completions on the Trinidad side and in both Venezuela and Trinidad the rig performed satisfactorily.

The Nola 1 is now in Trinidad drilling for Texaco-Trinidad and indications are that it will be finishing up its program within the next month. We could move very economically to any location in the Caribbean area. If you have any work coming up in the near future in that part of the world I believe we could save you a lot of money. With the rig having performed satisfactorily on the number of wells shown on the attachment we feel that our method is satisfactorily proven.

Hope you and your family have a very happy holiday season.

Very truly yours,

George H. W. Bush

GHWB/vf
Att.

December 9 1960

Mr. John Leonard
Socony Mobil Oil Company
P. O. Box 77
Houston 1 Texas

Dear John:

I am attaching a photostatic copy of a drilling contract between our companies and a photostatic copy of a proposal made by General Dynamics to Continental Oil Company. The latter is confidential and I would appreciate your returning it to me after it has served its purpose.

For the purpose of computing the cost on a well in 100 ft. of water the day rates on Page 3 should be changed to \$6200 per day (5. A. (1)) and \$6100 per day (5. A. (2)) I am sure you have your own crew boat figures but in the event you don't have them you might use \$7500 per day for transportation costs.

Please call Nolen Stewart or me if you have any additional questions.

Very truly yours,

George H. W. Bush

GHWB/vf
Enc.

Mr. R. O. Wilson

December 8, 1960

Mr. Nolan Stewart

Dear Dick:

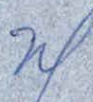
I am enclosing five (5) copies of the Bareboat Charter on the Nola I between Zapata Off-Shore Company and Zapata International Corporation, properly executed by Zapata Off-Shore Company. Kindly sign each copy on behalf of Zapata International Corporation and make the following distribution:

1. Retain one in International's office in Trinidad.
2. Place one copy in the files on board the vessel.
3. Give one copy to Fitzwilliam, Stone & Alcazar for their submission to the Exchange Control with the Form "E" application mentioned in Fitzwilliam's letter dated October 31, 1960 to Pat Murphy.

Please return one copy to the Houston office to my attention.

On page 2, insert the date of the drilling contract between ourselves and Texaco as we do not have this information in this office at this time.

Best regards,


Nolan

NS:dlp
Enclosures

cc - Messrs: Geo. H. W. Bush ✓
Pat Murphy
Ian Figart
Frank Allen

December 9, 1960

TO ALL BLOCK 86 PARTNERS

Gentlemen:

You have not received your October gas runs from Transco. Upon checking with Transco we find the reason for this has to do with the recent Hydrocarbons Agreement between ourselves and Goliad Corporation. You will recall that Goliad Corporation has started to take the liquids out of the gas at their plant. Transco tells us that it is now necessary that we execute an amendment to our contract with Transco authorizing Transco to permit Goliad to handle the gas and agreeing with Transco on the method of accounting to be used between them and Goliad as regards the shrinkage.

Transco apologized for the delay and told me that the proposed agreement will be in our hands next week. Immediately upon its execution we will receive our October runs check.

Very truly yours

George H. W. Bush

GHWB/vf

December 8 1960

Mr. Raleigh Warner Jr.
Socony Mobil Oil Company
150 East 42nd Street
New York N. Y.

Dear Bud:

Just a note to tell you how much I enjoyed dining with you and Fish there at the Links on Friday. If you ever get down to Houston please give me a ring.

Regarding that Gabon deal, our man has now returned from Paris and the basic facts are as follows:

1. Apparently we were the low bidder by \$700,000.
2. Some of Mobil's technical people have reservations about our floating method of drilling for Gabon, their reservations being our ability to drill under all weather conditions at Gabon.
3. We can get started almost immediately.
4. We are willing to make certain contractual guarantees regarding weather which we feel would result in assuring a less expensive job for Mobil.

As mentioned in New York we are getting a fair hearing there from Mr. Dismukes and his associates so I give you this information not to stir anything up but rather because I was somewhat vague on these details when we were having lunch.

We are hopeful that we can do some good but if we miss on this one we will be knocking at Mobil's door in the future.

Best regards

George H. W. Bush

December 8, 1960

Mr. Arthur E. Palmer Jr.
White Weld & Co.
20 Broad Street
New York N. Y.

Dear Art:

A belated note to congratulate you on this recent move. Herbie had mentioned something about this a long time ago but only recently I saw the announcement in the New York paper. I hope this means you will be getting down to Houston some and if so the Bushes have plenty of room and we always have an extra sack.

I am sending you our latest Annual Report and if you ever get any ideas on anything that would fit in with Zapata please let me know. Our financial condition is continuing to improve and we would like to get a little diversification into our picture.

Best regards

George H. W. Bush

GHWB/vf
Enc.

December 8, 1960

Mr. R. H. Martin T.
Texaco
135 East 42nd St.
New York N. Y.

Dear Bob:

Just a note to tell you how much I enjoyed having lunch with you and Jim Blackwell. I appreciated very much your taking the time to visit with me and tell Jim that his comments regarding our floating method were very helpful.

I was out in Midland for a funeral on Saturday and I told Wat and Lolly LaForce that I had recently had lunch with you. They were pleased to hear this and were curious to know how Anna was.

Ian Figart our Vice President of drilling is heading for Trinidad and we are hoping that we will have a little more drilling to do for you people down there. I believe the program has been satisfactory. From all reports here the rig has performed well and we are hoping that this performance will merit additional work.

I hope you have a Merry Christmas.

Best regards

George H. W. Bush

GHWB/vf

P. S. I am enclosing a rather sad photo of all our kids so you can show your good wife what has happened to us since our paths last crossed.

December 8, 1960

Dear Johnny,

I was in New York the other day but unfortunately you were up in Providence so I didn't get a chance to visit with you. I am just wondering what your plans are and how things are going. Drop us a line when you get a chance.

If there is any chance of your getting down for Christmas with us it would be a real treat.

Love from us all

Mr. Jonathan J. Bush
G. H. Walker & Co.
45 Wall Street
New York N.Y.

December 8, 1960

Mr. Theodore G. Patterson
Preston, Moss & Co.
24 Federal
Boston, Mass.

Dear Ted:

I just got back to the office to find your letter of November 29th. Please pardon my delay in answering it. Johnny Walker did mention to me your letter and the thoughts set out therein.

As you know we have recently acquired some 7000 shares of stock in the market. Recently we bought the last of the 7000 shares and I noticed yesterday the price went below \$5. The feeling of the board of directors is that from time to time we should acquire our stock, however, we all have firmly in mind the financial problems of the past and we want to be darn sure that we don't use up too much cash on such a program only to find we need it for our business. The company is getting in a strong financial position and I for one am anxious that it remain there. We have high hopes of taking on a deal or two which would give us some diversification and which would spark renewed interest in our company in the market.

I intend to talk to Herbie Walker about your tender program and I am going to mention it today to Milton Underwood at lunch.

Regarding your cash earnings projections, I would say that they are in the ballpark provided the rigs continue to work. The only weak spot we see in our picture is that we may not have full employment for the floating rigs. Right now they are working but within a few weeks the Texaco-Trinidad work will be finished. Incidentally the Nola I did an excellent job on this and we should have made some good money down there. We have several other irons in the fire but the rig may be down for a while.

Page Two

Mr. Theodore G. Patterson

December 8, 1960

Having followed Zapata closely for a long time I am sure that you realize probably as well as I do that things can happen which require a good deal of cash, therefore, I don't believe we should enter into a program which would mean spending \$400,000 at this time on re-acquiring our stock. However, your reasons seem to me to be excellent as to the effect a program of this sort might have on the price of the stock. Please be assured that we will give this serious consideration in the future.

Ted, let me say how much I appreciate the interest you have taken in Zapata. Hope you have a wonderful holiday.

Best regards

George H. W. Bush

GHWB/vf

December 8, 1960

Mr. W. R. Pagen
Pauley Petroleum Company
10000 Santa Monica Blvd.
Los Angeles, Calif.

Dear Bill:

As you know we have in dispute between us an amount of money which we compute at \$82,705.62. This has to do with our claim for compensation when the Vinegarroer was down during April, 1960 due to weather damage. I believe that both of us are agreed that arbitration would be costly and time consuming. We are most anxious to avoid any such action if possible, however we cannot let this matter drag on much longer. I would, therefore, like to propose, without prejudice, that we be paid a total of \$60,000 in full settlement of our account. Further we would propose that this be paid as follows:

1. \$10,000 be paid by January 1, 1961
2. For the balance of \$50,000 Zapata would accept a \$50,000 note bearing 5% interest payable at \$5,000 per month with payments commencing February 1, 1961

We feel that this \$22,700 discount is a substantial concession and we hope very much that your company will be able to accept these terms in order to avoid arbitration. Bill, after you have had a chance to study this matter I would appreciate very much your giving me a call so that we can finalize this matter.

Very truly yours

George H. W. Bush

GHWB/vf

P.S. I am attaching a copy of the original invoice as submitted in September.

cc: O. Hedges
E. Kliever

December 8 1960

MEMO TO BOARD OF DIRECTORS

Gentlemen:

Since our last board meeting we have purchased 7,000 shares of stock at \$5 per share. Inasmuch as we are now in a good cash position and considering the fact that there is apt to be a good deal of year end tax selling I feel it would be most advantageous to pick up another 8,000 shares of stock in the market at \$5 or better. Therefore, I have authorized G. H. Walker & Co. to attempt to buy this stock. If we are successful in obtaining the stock our shares outstanding will then be 991,337.

George H. W. Bush

GHWB/vf

December 7 1960

Dear Matthew,

Thank you for your kind letter of December 5th. I am sorry that I missed you Saturday morning but I had hoped to get by Saturday afternoon.

The Voltz thing was a real tragedy and I did spend a good deal of time with Mrs. Voltz. She is indeed an unselfish person and I hated to see her having this great sadness. I suppose you have heard that Monday of this week several checks started coming in from the Las Vegas gamblers. This pattern is very much like the one that existed when you and I talked about this matter two or three years ago.

I hope all your family has a wonderful Christmas. It was great to catch a glimpse of you. All the Bushes still miss the wonderful experience of attending your church.

Best regards

George H. W. Bush

The Reverend R. Matthew Lynn
The First Presbyterian Church
804 West Texas Avenue
Midland Texas

Nolan Stewart

December 7 1960

George H. W. Bush

I talked at length to Vince Harrington about his experience with test tanks. He has some real reservations about the Michigan set up, feeling that it is pretty much of a college operated set up to help people who are learning in college. He feels that either of the two following places would be better:

1. David Taylor Model Basin Carterock, Md. This is a Buships facility and they may have a model of the carrier right there. They do Buships work first but then they are willing to take on outside work. He thinks this is the best one in the country.

He says the best one in the world is

2. Netherlands Ship Model Basin, Wageningen, Holland. He feels that this outfit would be cheaper than any in this country.

Let's talk about this.

GHWB/vf

Nolan Stewart

December 7 1960

George H. W. Bush

Mr. Hewett with the Mont Corporation called me yesterday regarding arig for 100 ft. of water in the Persian Gulf. The Mont Corporation is a new corporation started by Monty Garrison. It might be well to contact Mr. Hewett, CA 89636 and tell him you are following up on his call to me and see if we could interest Mont in one of our floaters for the Persian Gulf. Monty Garrison was apparently here last week but has gone back to Europe. Any dope you can get on this will be helpful.

GHWB/vf

Withdrawal/Redaction Sheet

(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
05. Letter	From Vivian Flynn to G.H. Walker and Co. RE: Financial information (1 pp.)	12/6/60	C	
COLLECTION George Bush Personal Papers Zapata Oil File Business Correspondence Files				
FILE LOCATION [Reading File] October 1, 1960 to December 31, 1960 [1 of 2] OA/ID Number Date Closed 01/04/00				

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-5 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]

December 6, 1960

Mr. Fitzgerald Bemiss
Box 1156
Richmond Virginia

Dear Gerry:

I am sorry to have missed you at the Yale Club when you called the other day. I was there for a couple of days on business. I called Freeport but apparently you had departed with Mr. Williams for Virginia.

I hope you and all the others have a wonderful Christmas. Love to all Bemi wherever they may be.

Best regards

George H. W. Bush

GHWB/vf

December 6, 1966

TO ALL BLOCK 66 PARTNERS

Gentlemen:

We have canvassed the following drilling companies in search of a drilling rig:

Marshall
Rear-McCoo
The Offshore
Jesco
Elco Water

We have also checked on some of the smaller companies and no rigs are available for drilling in the 50 ft. water depth before the first of the year. Therefore, we are scheduling the drilling of the Block 66 well immediately upon completion of Mobil Oil Company's next well, namely their well to be drilled by the Scorpion at East Cameron Block 66.

The Scorpion is still working on its former well and it could be another 45 days before we will be able to commence the well. We see no alternative to these plans. We feel that it is extremely important to drill the well before the April 1st redetermination of the reserves and, therefore, we are hoping the above meets with your approval. You will recall that we have a joint redetermination of reserves with Transco to be completed by April 1st. We think that the additional well will go a long way toward getting them to increase their option on our reserves.

Very truly yours

George H. W. Bush

GHWB/vf

Withdrawal/Redaction Sheet

(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
06. Letter	From George Bush to Prescott Bush, Sr. RE: Financial information (2 pp.)	12/6/60	C	
COLLECTION George Bush Personal Papers Zapata Oil File Business Correspondence Files				
FILE LOCATION [Reading File] October 1, 1960 to December 31, 1960 [1 of 2] OA/ID Number Date Closed 01/04/00				

RESTRICTION CODES

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- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

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- F-1 National security classified information [(b)(1) of the FOIA]
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- 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]

December 7, 1960

Mr. L. Margolies
520 Westgate
University City 30 Mo.

Dear Mr. Margolies:

Attached hereto is the quote on Zapata
Off-Shore Company from yesterday's
Wall Street Journal. Please let me
know if you have any further questions
about the company.

Very truly yours

George H. W. Bush

GHWB/vf
Enc.

December 7, 1960

Mr. I. Rutman
2356 Fenwood Rd.
University Hts 18, Ohio

Dear Mr. Rutman:

Thank you for your letter of December 5th. I am attaching our latest Annual Report which was mailed to stockholders last week. I believe that this report will cover in detail any questions which you may have. Since the date of the report business has been good and we are hopeful that 1961 will be a good year.

Like you many of us are disappointed in the performance of the stock. In the Annual Report we have included a five-year past performance record. It is interesting to plot the price of the stock against this. When our business was far less good than it is today our stock was selling for more money. I am afraid that the general condition of the oil market has a lot to do with this evaluation of our shares.

I am confident that if we continue to strengthen our company and to build along constructive lines the stock will eventually reflect our improved financial position. Thank you for your interest and please let me know if you have any other specific questions.

Very truly yours

George H. W. Bush
President

GHWB/vf

December 5 1960

Mr. Hugh Saunders
Kern Trinidad Oilfields Limited
Barrington House
59 Gresham Street
London E. C. 2

Dear Hugh:

I returned to the office today after a trip to the East. I have received both your letters of November 24th and December 1st. We are studying these two letters and will be in touch with you shortly.

Very truly yours

George H. W. Bush

GHWB/vf

cc: J. G. Furness-Smith
E. E. Murphy
H. C. Duke

Superior Manifold

December 5 1960

Dr. James L. Desmond
2527 Driscoll
Houston Texas

Dear Dr. Desmond:

I have been out of the office for a week but today upon my return I have studied Bruce Pearson's report. I am afraid that Zapata cannot participate in the plan which you had in mind. Mr. Pearson raises certain objections.

He was most appreciative of your coming to Alpine and certainly enjoyed meeting both of you.

Our principle objection stems from the fact that we do not believe a coring program of the size outlined by you would be sufficient to fully determine the commercial nature of the mercury deposit. We feel that the program could run into a good deal more money than we would want to spend at this time on mining.

Thank you for considering us in this connection.

Very truly yours

George H. W. Bush

GHWB/vf
cc: Bruce Pearson
Joe Tullos

December 5 1960

Mr. W. B. Belknap
Phillips Petroleum Company
Bartlesville Oklahoma

Dear Mr. Belknap:

We were sorry to receive the official word from you on Honduras although we had been verbally advised that our method was no longer being considered for Honduras. For our part we appreciate the consideration which you gave us. We are very sorry that we were not able to over-come the reservations which cropped up regarding our method.

We certainly want to stay in touch with you and are delighted to know that you will give us an opportunity to bid on future work. Please come by and see us if you are down this way.

Very truly yours

George H. W. Bush

GHWB/vf
cc: Nolan Stewart

December 5 1960

Mr. H. N. Mallon
Dresser Industries Inc.
Republic National Bank Bldg.
Dallas Texas

Dear Neil:

You were nice to write me about our Annual Report. We are hoping that business will continue to improve a little bit during the forthcoming year.

Perhaps we can resurrect the PLI situation in the future.

We had a nice visit with Mother and Dad here in Houston and all were sorry that you had to go to the API. They went on to South America and even went by Guantanamo Bay. They are back now I believe.

All the family are fine and the Santa Claus fever has hit hard. Please let us know when you are down this way we always have an extra bed.

Best regards from the Bush family.

Very truly yours

George H. W. Bush

GHWB/vf

December 5 1960

Mr. Jay Whipple
Bacon Whipple & Co.
135 South LaSalle St.
Chicago 3 Illinois

Dear Jay:

You were very kind to write regarding our Annual Report. Our last year was disappointing in some ways but I do feel that we made substantial progress in improving the overall financial position of the company.

We are still looking around for ways in which to diversify. From time to time I talk to our friend Bill Thornton of Williams-McWilliams. I would like to resurrect this deal if possible. If by any chance you or any of your associates come up with any little company which might be suitable for a joint deal with Zapata please let me know. I think that our strong point is our cash flow situation. We have a relatively good cash flow in relation to the price of our stock due to our very high rate of depreciation. We also have a relatively broad market. We have looked at all sorts of different things including manufacturing and electronics companies but so far have not come up with the right answer.

Best regards to you and your family and I hope you have a wonderful Christmas.

Very truly yours

George H. W. Bush

GHWB/vf

December 5 1960

Mr. Eugene F. Williams Jr.
St. Louis Union Trust Company
323 North Broadway
St. Louis 1, Mo.

Dear Gene:

Congratulations on the new baby. Bar will be thrilled when I tell her tonight. Please give her my love.

You were nice to write about our Annual Report. We do feel that we have made some improvement in the company's overall position. Due to the very specialized nature of our business we are looking around for some diversification.

Is there any chance you will be getting down this way? We would love to see you. Best regards to all the group and particularly to your wonderful family.

Very truly yours

George H. W. Bush

GHWB/vf

December 5 1960

Mr. Charles N. Prothro
Box 2099
Wichita Falls Texas

Dear Charles:

I was delighted to get your letter of November 29th and particularly glad to hear that the water flooding in Jameson was going to suit you. I was out in Midland Saturday for a funeral and had a nice visit with Hugh. He too was very optimistic over the water flooding. He tells me that your department store activities take a good deal of time.

You were very thoughtful to write me about our Annual Report. Business is progressing somewhat and we are hopeful that we will have a better year in 1961.

Best regards and I hope all your family has a wonderful Christmas.

Very truly yours

George H. W. Bush

GHWB/vf

December 5 1960

Mr. Robert R. Lockwood
Lockwood Insurance Agency
Atlas Life Building
Tulsa 3 Oklahoma

Dear Bob:

Vivian has sent you the Annual Report that you requested in your letter of November 29th but I did want to thank you for writing. We are pleased about our progress although our stock does not reflect the improvement which I believe exists in our financial position.

Thank you for the button which I am sending along to my father. Best regards to all the Lockwoods.

Very truly yours

George H. W. Bush

GHWB/vf

December 5 1960

Dear Dad,

A friend of mine in Oklahoma sent me the attached letter. The P.S. and the enclosure are intended for you. You can throw the letter away.

I hope your trip was a good one. We loved Moms post cards from around the world. How was Eleuthra?

Love from all your Texans.

Devotedly

Senator Prescott S. Bush
Senate Office Building
Washington D. C.

December 5 1960

Mr. Robert B. Payne
Strasburger Price Kelton Miller & Martin
Fidelity Union Tower
Dallas 1 Texas

Dear Bob:

I was delighted to receive your letter of November 28th. This is great news and I'll bet everybody there at the hospital is terrifically happy. I hope that the government does not appeal. Congratulations on your wonderful work for Bright Star.

It was certainly gratifying to know that Judge Davidson has referred to you as a "wealthy outstanding citizen of Dallas". Perhaps this will be helpful to your wife's morale.

I hope you have a wonderful Christmas and my sincere congratulations for the wonderful worthwhile job you are doing with the foundation.

Very truly yours

George H. W. Bush

GHWB/vf

December 5, 1960

Mr. Bruce Pearson
P. O. Box 711
Alpine Texas

Dear Bruce:

I mailed the attached letter to Desmond today. I am returning your report on the Gold Banks Mercury Company. I certainly appreciate the good report that you wrote for us. In the light of your report and in the light of other information that I have received I do not feel that we want to go further with these people.

Please be sure to send me a statement for your work.

Very truly yours,

George H. W. Bush

GHWB/vf

December 5 1960

Mr. Earle M. Craig Jr.
701 Midland National Bank Bldg.
Midland Texas

Dear Earle:

Thank you for your good letter of November 29th. I was in Midland last Saturday for Mike Volta's funeral but unfortunately I was so tied up with family etc. that I did not get a chance to come by and see you and Dottie. I did, however hear that she was victorious in the tennis tournament.

You were nice to write about our Annual Report and frankly I was pleased with the improvement in our financial position. Our stock still seems to be pretty doggy but we are making important strides in settling our business position.

Best regards to all the family. We certainly miss the Craigs and hope to see you before too long.

Very truly yours

George H. W. Bush

GHWB/vf

Blue

December 5, 1960

Mr. Charles Crady III
Shell Building
Houston, Texas

Dear Charles:

Attached is a letter written today after talking to Steta. They have talked to Steta about this. It is his feeling that we do not owe the claim but as soon as he is presented with the full details he will review the individual claims.

Regarding the resignation of the gerente in Zapata de Mexico, Steta tells me that the delay was due to the awaiting of the dividend. This matter has now been taken care of and the resignation of the gerente is in order. It was not clear to me whether the transfer of this one remaining detail has actually taken place or whether it is about to but there are no barriers to this transfer.

We do not want to cause anyone any undue hardship on this vacation pay matter but you can certainly appreciate that we do not want to be paying out money that is not legitimately owed.

Thanks for the lunch.

Very truly yours

George H. W. Bush

GHWB/vf

Blum

December 5 1960

Zapata de Mexico
Reforma 400, 80
Mexico D. F.

Gentlemen:

Today I had a meeting with Mr. Crady regarding the claims made against Zapata de Mexico for vacations allegedly due certain former employees. I followed this conversation up with a call to Mr. Juan Steta with Baker, Botte & Miranda. Zapata Off-Shore Company recognizes that it is obliged to reimburse Zapata de Mexico for any expenses incurred prior to the date set out in our Sales Contract provided these expenses are legitimate expenses.

Under our arrangement with the Labor Union in Mexico we specifically were not obliged to pay vacation pay for people working less than a full year. Mr. Crady advised me that Mr. Dean's recollection of this matter was exactly along these lines. However, he points out that in spite of this agreement claims are being made against Zapata de Mexico. Should these claims prove to be valid Zapata Off-Shore Company will, of course, be obliged to reimburse Zapata de Mexico. However, before paying any such claims we must insist that the validity be established by our attorney in Mexico City.

Mr. Steta advised me today that when this matter was called to his attention he requested detailed information as to the nature of the claims. Will you please, therefore, send him a full description of all claims, setting out who the people are and giving details as to length of service, reasons for compensation, etc. When Mr. Steta has received this information he will promptly review it. If these claims must be paid he will so advise us and we will promptly reimburse Zapata de Mexico for any such payments.

Very truly yours

ZAPATA OFF-SHORE COMPANY

George H. W. Bush
President

GHWB/vf

cc: Tilman J. Falgout

Charles Crady - W. H. Dean - Juan Steta

Bush

December 5 1960

Mr. George A. Slifer Jr.
Gibbs Corporation
P. O. Box 4190
Jacksonville 1 Florida

Dear George:

Thank you for your letter of December 1st. Figart and I appreciate very much your hospitality there in Jacksonville. I do not recall having spent a more interesting day. It was a pleasure to meet all your associates.

Regarding the DeLong rig I do not feel that we will be in a position to do anything with the deal. Our principle reasons are as follows:

1. Using our cost figures we can't see a payout in four years (this is assuming that Skinner or Texaco exercise their option)
2. We have definite reservations about the bottoms of these caissons for work in Trinidad. We feel it is possible that feet may be needed. If so this will result in down time and a good deal of additional expense.
3. We generally do not like the idea of having to put another contractor's rig on equipment which we would own. We would prefer to do it all ourselves.

I am glad that we have discussed this deal. I was not sure from my conversation with George Gibbs whether he definitely was interested in a deal with us or not. I felt that he had some reservations along this line and therefore perhaps it is best that the thing be resolved in this way.

Please keep us in mind for any future situations.

Very truly yours

GHWB/vf

George H. W. Bush

Blue

December 5, 1960

Mr. Jorge A. Escalante
Permargo
Reforma 400 80
Mexico D. F.

Der Jorge:

Baker Botts & Miranda have forwarded to me a copy of Mr. Valle's letter to them dated November 30th, in which he returns to them unpaid their invoice to Permargo in the amount of \$11,250 (\$900 U.S. currency). Since then I have discussed this matter with Charles Crady here in Houston. It was our clear understanding that these bills would be paid by Permargo. Mr. Valle says that these expenses were "incurred by Zapata Off-Shore Company because at that time you were acting on their behalf." Crady thought that possibly you returned the bill to Baker Botts & Miranda because you wanted us to pay it and then you would reimburse us. However, it would be far simpler if you would make payment direct to Baker, Botts & Miranda.

After talking to Crady I am sure it is just a misunderstanding on the part of Mr. Valle since Crady said that he was in your office when this particular invoice was discussed and it was clearly for Permargo's account in the light of our particular agreement. We would appreciate very much your paying direct to Baker, Botts & Miranda but if this is impossible we will pay them subject to reimbursement by Permargo.

Charles Crady tells me things are going along satisfactorily down there and I am delighted to hear this. Please stop by when you get up to Houston.

Very truly yours

George H. W. Bush

GHWB/vf
cc: Juan M. Steta

Telefax

WESTERN UNION
SENDING BLANK

Telefax



CALL
LETTERS

TDW

11-28-60

CHARGE
TO

Zapata Off-Shore Company

Forenco
262 Rue du Faub St. Honore
Paris VIII France

Arriving Air France 010 11 p.m. Wednesday

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

1269—(R 4-55)

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

To guard against mistake or delay, the repeated message rate is charged in addition. The sender of the message and the Telegraph Company

If a message should order it repeated, that is, telegraphed back to the original office indicated on the rate, this is an unrepeated 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 unrepeated 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 speciality 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 mistake 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 receives that the message is valued, unless a greater value is stated in writing by the sender thereof at the time the message is received 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 or for 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 interstate message in Texas) or between a point in the United States on the one hand and a point in Alaska, Canada, Mexico, or St. Pierre-Miquelon Islands on the other hand, or between a point in the United States and a ship at sea or in the air, (b) within 90 days after the cause of action, if any, shall have accrued in the case of an interstate 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 24 words applies.

SHIP RADIOGRAM

For messages to and from ships at sea.

November 28 1960

Mr. R. C. Mosby
Overseas Exploration Company
P. O. Box 22065
Houston 27 Texas

Dear Russell:

In accordance with various conversations Zapata is pleased to propose the drilling of your well in Surinam to a depth of approximately 8500 ft. utilizing the floating drilling barge Nola I. We anticipate the Nola I to be available in approximately 45 days and this proposal is subject to prompt acceptance in order that we may commence moving to Surinam with a minimum of lost time.

We estimate the dry hole cost of this well to be approximately \$265 000 and the well cost should it be a completion at approximately \$330 000.

Zapata will drill this well on a day rate contract of \$6848 per day while drill pipe is in use and \$6798 per day when drill pipe is not in use. Zapata will procure as available casing bits, mud cement tubing well head and drive pipe and will invoice you for these items as a lump sum. We anticipate the procurement of this material at Trinidad and will transport it aboard the drilling barge and/or the supply boat. The day rate includes those items customarily furnished by the contractor as well as fuel, Halliburton, Schlumberger, and marine transport.

All import and export duties, fees or charges will be for your account.

I expect to be out of town approximately 5 days but look forward to meeting with you immediately upon my return to finalize this program if you are in agreement therewith.

Very truly yours,

Nolan Stewart

NS/vf

December 1 1960

Mr. T. J. Devine
607 Midland National Bank Bldg.
Midland Texas

Dear Mr. Devine:

Mr. Bush is out of the city and plans to be back in the office Monday December 5th. You should be hearing from him shortly thereafter.

I checked the stockholders list and it gives your stock c/o Merrill Lynch. I will send in a change of address right away and from now on you should be getting all stockholder material direct.

Very truly yours

Vivian Flynn

/vf

November 30. 1960

Mr. Walter J. P. Curley Jr.
San Jacinto Service Company
630 Fifth Avenue
New York 20 N. Y.

Dear Mr. Curley:

Mr. Bush is out of the city and plans to be back in the office Monday December 5th. Upon his return he will answer your letter of November 29th.

Very truly yours

Secretary to Mr. Bush

/vf

November 30 1960

Mr. Theodore G. Patterson
Preston, Moss & Company
24 Federal Street
Boston Mass.

Dear Mr. Patterson:

Mr. Bush is out of the city and plans to be back in the office Monday, December 5th. Upon his return he will answer your letter of November 29th.

Very truly yours

Secretary to Mr. Bush

/vf

November 30 1960

Mr. Robert R. Lockwood
Lockwood Insurance Agency
Atlas Life Building
Tulsa 3 Oklahoma

Dear Mr. Lockwood:

Mr. Bush is out of the city and plans to be back in the office Monday, December 5. Upon his return he will answer your letter of November 29th.

Very truly yours

Secretary to Mr. Bush

/vf

George H. W. Bush

November 28, 1960

Nolan Stewart

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 Pay 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 Wertsen 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.

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

November 25, 1960

Yale Club of New York
50 Vanderbilt Avenue
New York, N.Y.

Gentlemen:

I wired you today requesting the reservation of one single room for Tuesday, Wednesday and Thursday nights. I would like to request another reservation for one single room for the same nights for Nolan Stewart, my guest, who will be accompanying me.

Thank you.

George H. W. Bush

GHWB/vf