

NEW MEXICO  
OIL CONSERVATION COMMISSION  
AZTEC, NEW MEXICO

February 21, 1956

Walker Dome Oil Company  
5840 Gavilan Drive NW  
Albuquerque, New Mexico

Att: Mr. D. M. Ferebee

Dear Mr. Ferebee:

We have just received your letter of February 18, 1956 regarding a well in Section 13-15N-10W which you refer to as the #3 Santa Fe. You have inquired what forms are necessary before this well can be produced. Our records indicate that this well was drilled under the bond of A.P. Buzard, G. L. Gibbons and Elmer L. White; therefore we presume that you are speaking of the Buzard, Gibbons and White #3 Santa Fe which our records indicate is located 2104' from the North line and 25' from the West line of Section 13-15N-10W. You will note that this footage does not conform with the footage you have given in your letter. I also gather by inference that this well now belongs to the Walker Dome Oil Company of Prescott, Arizona.

Our files show that the following were filed on this well: Notice of Intention to Drill and a Form C-103 which showed that the well was drilled to 975 feet and had an oil show at 958 feet and was temporarily abandoned. If the Walker Dome Oil Company is taking over this lease the following procedure should be followed: First, Walker Dome Oil Company will have to either post individual one-well bonds for those wells which they are taking over which have not been previously plugged or, in lieu of this, post a \$10,000 blanket bond which would cover all the wells in question. Then, separate C-103's should be filed on each unplugged well which your company is taking over, showing the change in ownership from White, Buzard and Gibbons to Walker Dome Oil Company. Insofar as the #3 Santa Fe well is concerned, C-105, "Well Record" should be filed showing the details of work done on this well along with a log of the well. Then, Form C-104, "Request for Allowable" and Form C-110, "Certificate of Compliance and Authorization to Transport" should be filed in quadruplicate, stating who the transporter of the oil is to be and the destination of the oil. After all forms have been received an approved copy of Form C-110 will be sent you and one to the transporter of the oil. The transporter must have this approved copy before transporting any oil. The #3 Santa Fe well in the Northwest Quarter of Section 13 appears to be a producing well you may now make. You have also enclosed a Notice of Intention to Drill for a well known as Walker Dome Oil Company #6 Santa Fe, which you show to be located 330' from the South line and 330' from the ~~South~~ *East* line.

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locations under Rule 104, Section C which pertains to wells drilled in defined oil pools. This rule states that each well drilled within defined oil pools shall be located on a tract consisting of approximately 40 acres in the form of a square being a legal subdivision and shall be drilled not closer than 330 feet from any boundary line of such tract or closer than 660 feet to the nearest well capable of producing from the same pool. However you have indicated that you intend to dedicate 10 acres to this well and as you will note from the wording of the above rule this cannot be done. If you wish to establish 10-acre spacing and drilling in this area you should make application to the Oil Conservation Commission, Box 871, Santa Fe, N.M. attention Mr. W.B. Macey, stating that you wish to establish pool rules covering this area. Until this is done the statewide 40-acre spacing rule will hold and you would be required to drill on a 40-acre spacing pattern. However your footage location conforms to 40-acre pattern so you are all right in this respect. As soon as we have received word from Santa Fe that the bond of the Walker Dome Oil Company has been approved we will approve your Notice of Intention to Drill. We are, however, returning your surveyor's plat so that you may change the acreage dedicated to 40 acres. We are also enclosing Oil Conservation Commission Rules and Regulations. Please read closely Section C on "Drilling" and Section M on "Reports" as this will set out for you what is necessary in order to drill wells in the State of New Mexico and how soon forms should be filed after any particular operation.

If we can be of assistance, please let us know.

Yours very truly

Emery C. Arnold  
Supervisor, District #3

ECA:ks

cc: Mr. W.B. Macey, Secretary-Director  
Oil Conservation Commission  
Santa Fe, N.M.

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ALBUQUERQUE, NEW MEXICO

Location under Rule 104, Section 6 which pertains to wells drilled in certain areas. This rule states that each well drilled within certain designated oil fields shall be located on a tract consisting of approximately 40 acres in the form of a square being a legal subdivision and shall be drilled not closer than 200 feet from any boundary line of such tract or closer than 660 feet to the nearest well existing or producing from the same pool. However you have indicated that you intend to produce oil from this well and as you will note from the wording of the above rule this cannot be done. If you wish to establish 10-acre spacing and drilling in this area you should make application to the Oil Conservation Commission, P.O. Box 100, Albuquerque, N.M., 87103, stating that you wish to establish 10-acre spacing in this area. Once this is done the statutory 10-acre spacing rule will not apply and you would be required to drill on a 10-acre spacing pattern. However your proposed location conforms to 10-acre spacing as you are well within this respect. As soon as we have received word from Santa Fe that the well in the latter part of the company has been approved we will approve your location. We are, however, returning your surveyor's plat so that you may change the acreage dedicated to 40 acres. We are also enclosing Oil Conservation Commission Rules and Regulations. Please read closely Section 104, Subsection 1, and Section 104, Subsection 2 as this will set out for you what is necessary in order to drill wells in the State of New Mexico and how soon forms should be filed after any production operation.

If we can be of assistance, please let us know.

Yours very truly

Harvey E. Lacey  
Superintendent, Division 40

cc: Mr. W.E. Lacey, Secretary-Director  
Oil Conservation Commission  
Albuquerque, N.M.