



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RECEIVED

AUG 5 1954

P. O. Box 187
Artesia, New Mexico

Oil Cons. Comm.

August 4, 1954

Simms & Reese Oil Company
Bajac Building
Carlsbad, New Mexico

Re: Oil and Gas Lease
Las Cruces 028978 (b)

Attention: Mr. Geo. L. Reese, Jr.

Gentlemen:

Receipt is acknowledged of your notice of intention to run and cement 5 inch casing at 2,900 feet in your well No.1-McClay in the NE $\frac{1}{4}$ SE $\frac{1}{4}$, section 33, T. 18 S., R. 30 E., Wilcox, Eddy County, New Mexico.

The subject well, as pointed out in our conversation of July 26th, is located within the Potash Area and the drilling and completion of all wells therein are subject to specific rules of the Department and the New Mexico Oil Conservation Commission. The proposed cementing operations do not conform to these regulations; however, field investigations and consultation with Mr. C. L. Jones, Geologist, U. S. Geological Survey, Carlsbad, New Mexico, and Mr. Reid Waltman, Geologist, Southwest Potash Company, bears out the fact that there is no commercial potash in the general area. Mr. Jones, in his memorandum of July 29th, a copy of which you received, advised that the Lane-Wells radiometric log did not show any indications that a valuable deposit of potassium minerals had been penetrated in the subject well, and that there are no indications that the lands in the vicinity of the well can be considered as being valuable for potash.

This office will approve the casing program which you propose to follow, subject to compliance with New Mexico Oil Conservation Commission's Order No. R-111, or to any exception granted by the Commission. It is suggested that you present the case to the Commission, attaching all pertinent information and corroborative data for its consideration and action.

Very truly yours,

(Orig. Sgd.) JOHN A. FROST

John A. Frost
District Engineer

JAF:mm

Copy to: Mr. C. L. Jones
U.S.G.S.
Carlsbad, N.M.

New Mexico Oil Conservation Commission
Artesia, New Mexico (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



[The body of the document contains several paragraphs of text, which are extremely faint and largely illegible due to the quality of the scan. The text appears to be organized into sections, possibly separated by headings or subheadings, but the specific content cannot be discerned.]