May 25, 1948

Mr. Frank C. Barnes, Geologist New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

Dear Frank.

In response to your inquiry of May 24th, the location and description of the M.S.B.W. Coupany No. 1 occoy as shown on form C-101 is correct. The error was made in the description Mr. Naddox gave on Form C-105 which should have read 2310' from the North line and 2310' from the East line of Section 28, Township 30 North, Range 12 West.

The artesian water mentioned in this well was mudded off when the outside casing was pulled. The well has not been abandoned and is now in production connected up with the Southern Union Gas Company's line.

In reference to Order No. 748 on the proposed spacing in the Fulcher Basin-Kutz Canyon area, it seems to me that 660' locations would be better than 990' inasmuch as 660' would allow infilled drilling in the event that in later years it would be found that one well would not adequately drain 160 acres. I have distributed copies of the proposed order to various operators and land owners in that area.

Yours very truly

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Yours very truly

NEW MEXICO OIL CONSERVATION COMMISSION

GOVERNOR THOMAS J. MABRY
CHAIRMAN
LAND COMMISSIONER JOHN E. MILES
MEMBER
STATE GEOLOGIST R. R. SPURRIER
BECRETARY AND DIRECTOR



P. O. BOX 871
Santa De, New Mexico
May 24, 1948

Mr. Al Greer Oil & Gas Inspector Aztec, New Mexico

Dear Al:

Enclosed form C-105 submitted for the M.S.B.W. Company No. 1 McCoy, has a location that is at considerable variance with the location as given on the C-101 for the same well. The location given here is the SW NW of section 6, T.30 N, R.12 W. On their C-101 they list the well as being in the SW NE of section 28, T.30 N, R.12 W. Which is the correct location or are these two separate wells?

Also, on the C-105 this well is shown to have encountered artesian water at a depth between 20 and 100 feet. According to the C-105 this water was cased off, but there is nothing to indicate where the plug was set in relation to this water when the well was abandoned. The State Engineers Office and the Land Office are both concerned with the proper plugging of all wells that encounter water, particularly those that drill into artesian water. The plugging of any such well should be approved by the Commission before the well is abandoned. We should be very particular about this point as we may have trouble at some future date if we don't keep it under control now.

We want all operators to file a C-102, setting forth the proposed plugging program before abandoning their wells so that the Commission can approve or reject the program in advance. In the future, we may refuse to release the bond on wells where the operator fails to secure proper approval before plugging. In cases of flagrant violation, we will force the operator to open the hole up again and re-plug the well under Commission supervision. As you know, we can also assess a thousand-dollar per violation fine against those that find it cheaper to ignore the Commission.

Just as an added note along the same general line, let's keep an eye on the current Florance Drilling Company well and see to it that they comply with the Commission regulations for a change. The well should have a sign on it giving location, etc., and they should file the proper forms to cover all operations and get your approval before, not after they do something.

Sincerely yours,

FRANK C. BARNES, Geologist

FCB; bpw