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UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

P. O. Box 997 Roswell, New Mexico February 9, 1948

Mr. John M. Kelly Box 5671 Roswell, New Mexico

Dear Mr. Kelly:

Reference is made to your letter of February 3 transmitting a copy of an application of G. B. Suppes, D. D. Thomas, Carper Drilling Company, Inc., and The Texas Trading Company, Inc., which has been filed with the Oil Conservation Commission of New Mexico for approval of an unorthodox well spacing plan and proration plan to cover sections 28, 33 and 34, T. 16 S., R. 31 E., Square Lake Pool, Eddy County, New Mexico.

The entire area involved in the application is embraced in Federal oil and gas leases Las Cruces 056302(b), 060543, 063105, 063368, 065561 and 065562. The leased lands are subdivided into rectangular 30-acre tracts extending in a north-south direction.

The well spacing plan applied for provides for the drilling of additional wells to be located 330 feet from the east or west lines and 50 feet north or south of the center line of each 80-acre tract. These so-called unorthodox locations are listed as primary and secondary locations for order of drilling. The application also provides for the operation of each 80-acre tract as a unit for proration purposes so long as one or more unorthodox wells are producing.

No objection is offered by this office to the well spacing plan as proposed in the application. It is the opinion of this office that the drilling of these wells should be encouraged to afford opportunity for the greatest ultimate recovery of oil and gas from the presently producing reservoir of the Square Lake Pool.

Approval to drill the additional wells at the primary and secondary locations cited in the application will be contingent upon subsequent approval of the unorthodox locations by the Oil Conservation Commission of the State of New Mexico for proration purposes.

Very truly yours,

OSTER MORRELL,

Supervisor, Oil and Gas Operations.