

UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

P. O. Nox 137 Artesia, New Nexico

January 16, 1955

Following up on your long distance telephone conversation regarding the location of the Buffalo Oil Company's well No. 4 Gox located in the SWA SWA, section 17, T. 18 S., R. 32 E., N.M.M., Lea County, New Mexico, it was pointed out that a 330 feet location is a legal location according to the rules and regulations of the New Mexico Oil and Sas Commission, and does not require a hearing before that body for approval.

If you have a copy of the rules and regulations of the Commission, your attention is called to section "c" ware 12 of Rule 104, well Spacing, which reads as follows quote "Each well drilled within a defined oil pool shall be located on a tract consisting of approximately 40 surface contiguous acres substantially in the form of a square which is a legal subdivision of the United States Public Land Surveys or on a governmental quarter quarter section or lot and shall not be drilled closer than 330 feet to any boundary line of such tract or closer than 660 feet to the mearest well drilling to or capable of producing from the same pooly unquote.

The Geological Survey recognizes the rules and regulations of the New Mexico Sil Conservation Commission on well specing and has approved the drilling of many wells on 330-feet locations.

Very truly yours,

Orio the sty of the study

John A. Frost District Engineer

JAF:mm Copy to: Suffalo Dil Co., Artesia, M.G. New Fexico Oil Conservation Commission & Artesia, N.F.