



June 1, 1956

Boswell - Frates Co.
Oil and Gas Properties
Kennedy Building
Tulsa 3, Oklahoma

Gentlemen:

This is to acknowledge receipt of the intention to drill your No. 1 well in the SW/4 of Section 15, Township 10N, Range 50 West in Logan County.

The footage given for the location of this well can not be approved. Our rules and regulations, effective April 30, 1956, state that a well can not be located closer than 600 feet to a property line or lease line or closer than 1200 feet to another drilling or producible well, when drilled to the same common source of supply.

If you desire to drill a well at a location other than the prescribed location, a waiver or consent in writing must be filed with this office by the lease owner or owners toward whom you are moving.

This office is not familiar with your company. Before we can approve an intention to drill, in a proper location, it will be necessary for you to furnish reasonable security for the proper plugging and abandonment of the well. This can be done by filing a \$2500 surety bond for each well drilled on private land or a \$10,000 blanket bond to cover all drilling in the state. The bonding requirement may be waived if you can furnish proof of financial responsibility.

We are holding up on the approval to drill until we hear further from you.

Enclosed you will find copies of our forms.

Very truly yours,

OIL AND GAS CONSERVATION COMMISSION

DVR:smm

D. V. Rogers, Deputy Director