

SECRET

-asa 110.

2584

plication, Transcript,
all Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2584
Order No. R-2281

APPLICATION OF HARVEY E. YATES
FOR PERMISSION TO DRILL A WELL
IN THE POTASH-OIL AREA, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 14, 1962, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 17th day of July, 1962, the Commission, a quorum being present, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

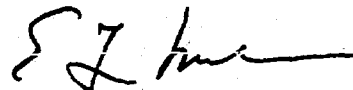
(2) That the applicant, Harvey E. Yates, has requested that Case No. 2584 be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 2584 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



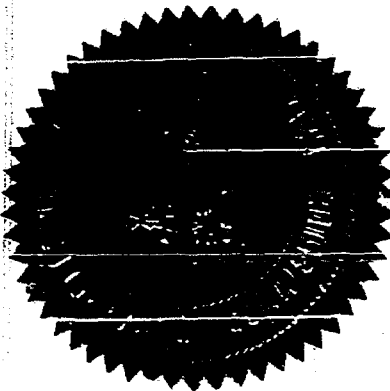
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



A. L. PORTER, Jr., Member & Secretary



esr/

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY-DIRECTOR

P. O. BOX 571
SANTA FE

July 17, 1942

Mr. A. J. Loees
Loees and Stewart
Attorneys at Law
Carper Building - P. O. Drawer 239
Artesia, New Mexico

Re: Case No. 2583 and 2584
Order No. B-2280 and B-2281
Applicant:

S. P. Yates and Harvey E. Yates
(Dismissed)

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC

OTHER



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

MAIN OFFICE OCC

Drawer 1837

Roswell, New Mexico

1962 MAY 31 AM 6:27

May 29, 1962

Mr. Harvey E. Yates
309 Carper Building
Artesia, New Mexico

Dear Mr. Yates:

Under date of November 13, 1961, you filed a Notice of Intention to Drill well Federal No. 1 in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 9, T. 19 S., R. 30 E., N.M.P.M., Eddy County, New Mexico, on land included in lease New Mexico 02337, to a depth of 2,350 feet to test the Yates formation.

The proposed location is in the potash area prescribed by the Secretary of the Interior in his order of October 18, 1951, and is also in the area covered by New Mexico Oil Conservation Commission Order No. R-111-A.

In our opinion the drilling of the well would result in undue waste of potash deposits and constitute a hazard to, or unduly interfere with, mining operations being conducted for the extraction of potash deposits.

Pursuant to authority delegated to the Regional Oil and Gas Supervisor on May 10, 1962, 27 F.R. 4814, I hereby deny approval of the Notice of Intention to Drill described in the foregoing.

Very truly yours,

JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Mr. A. L. Porter, Jr., NMOC, Santa Fe

DON G. MCCORMICK
THOMAS E. LUSK
EUGENE C. PAINE
CHARLES A. FREEZER

MCCORMICK, LUSK AND PAINE
ATTORNEYS AT LAW
BUJAC BUILDING
CARLSBAD, NEW MEXICO

1962 MAY 10 AM 8:10
May 16, 1962

TUXEDO 5-3144
TUXEDO 5-3145

Mr. A. L. Porter, Jr., Secretary
N. M. Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: R-111-A: NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 9, Township
19 South, Range 30 East, N.M.P.M.

Dear Mr. Porter:

On May 10, 1962, Mr. A. J. Losee wrote Mr. Morris, attorney for the Commission, enclosing triplicate copies of the application of Harvey E. Yates for approval of the above described subdivision as a drilling location within the Potash-Oil Area and the application of S. P. Yates for approval of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21, Township 19 South, Range 30 East, N.M.P.M., also as a drilling location within such area, requesting that the matter be set for hearing on June 14, 1962, before the Commission and requesting the cases be consolidated in the event the protestants do not object.

Southwest Potash Corporation has filed objection to the application of Harvey E. Yates but consents to the consolidation.

Mr. Losee has further requested waiver of arbitration before the Secretary-Director of the Commission as provided in Order R-111-A and consent to hearing of the consolidated applications at the regular June hearing of the Commission.

This letter constitutes consent of Southwest Potash Corporation to waiver of arbitration and to hearing on the date specified.

Yours very truly,

MCCORMICK, LUSK AND PAINE

By T. E. Lusk
T. E. Lusk

TEL:bc
cc: Mr. A. J. Losee
Mr. V. A. Zandon
Mr. R. H. Blackman

*Booked
mailed
6/1/62*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
HARVEY E. YATES FOR APPROVAL OF THE
NE/4 SE/4 SECTION 9, TOWNSHIP 19
SOUTH, RANGE 30 EAST, N.M.P.M., EDDY
COUNTY, NEW MEXICO, AS A DRILLING
LOCATION WITHIN THE POTASH-OIL AREA
AS DEFINED BY THE OIL CONSERVATION
COMMISSION ORDER R-111-A.

Case No. 2584

APPLICATION

COMES HARVEY E. YATES by his attorneys, Losee and
Stewart, and respectfully state:

1. That Applicant is the owner of Federal Oil and
Gas Lease NM 02337, covering among other lands the NE/4 SE/4
Section 9, Township 19 South, Range 30 East, N.M.P.M., Eddy
County, New Mexico.

2. That on November 17, 1961, the Applicant filed
his Notice of intention to drill a well to test the Yates
formation, expected to be encountered at 2350 feet below the
surface in the center of the said NE/4 SE/4 Section 9, and a
Plat showing the location of said well, with the Artesia
office of the Oil Conservation Commission, hereinafter refer-
red to as "Commission". That said drilling location is in
the Potash-Oil Area as defined in Commission Order No. R-111-A.
That copies of said Notice of intention to drill and Plat are
attached as Exhibits "A" and "B", respectively, and by refer-
ence are made a part hereof.

3. That a copy of said Notice of intention to drill and plat were mailed by registered mail to Southwest Potash Corporation, the potash lessee holding a lease on land within one mile of said proposed well location. That on November 22, 1961, Southwest Potash Corporation did protest the drilling of the well at the proposed location since it is over the open mine workings and within the surface plant area, a copy of said protest being attached as Exhibit "C" and by reference made a part hereof.

4. That Applicant waives the arbitration conference provided for in Commission Order No. R-111-A and requests that this matter be set for hearing. That Southwest Potash Corporation has orally advised the Applicant that it likewise waives the arbitration conference.

WHEREFORE, Applicant prays the order of the Commission, as follows:

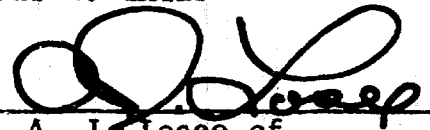
a) That this matter be set for hearing before the Commission and due notice be given thereof as required by law.

b) That the Commission approve the NE/4 SE/4 Section 9, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, as a drilling location for Applicant within the Potash-Oil Area as defined by Commission Order No. R-111-A.

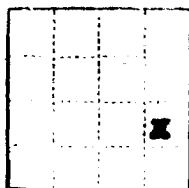
c) And for such other relief as may be just in the premises.

HARVEY E. YATES

By


A. J. Losee of
LOSEE AND STEWART
P. O. Drawer 239
Artesia, New Mexico

Form 9-581a
(Feb. 1961)



(SUBMIT IN TRIPPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Budget Bureau No. 42-R18.4
Approval expires 12-31-60.

Land Office **Santa Fe**
Lease No. **SM 02337**
Unit **3**

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL	<input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF WATER SHUT-OFF	
NOTICE OF INTENTION TO CHANGE PLANS		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF		SUBSEQUENT REPORT OF ALTERING CASING	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL		SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE		SUBSEQUENT REPORT OF ABANDONMENT	
NOTICE OF INTENTION TO PULL OR ALTER CASING		SUPPLEMENTARY WELL HISTORY	
NOTICE OF INTENTION TO ABANDON WELL			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

November 13, 19**61**

Federal

Well No. **1** is located **1300** ft. from **[S]** line and **660** ft. from **[E]** line of sec. **2**

SE 22 3
(4 Sec. and Sec. No.)

12S
(Twp.)

30E
(Range)

N.M.P.M
(Meridian)

Wilcox
(Field)

Wilcox
(County or Subdivision)

New Mexico
(State or Territory)

The elevation of the derrick floor above sea level is **3150** ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudlogging jobs, cementing points, and all other important proposed work)

Intentions are to drill to approximately 2350' to test the Yates formation, unless oil is found at a lesser depth. We plan to set a 3 1/8" surface casing at approximately 150' and circulate cement. If producer, 4 1/2" cas. will be set through the pay zone, cement circulated, and production established by perforating and stimulation. In addition to casing program as outlined above, a 7" salt protection string will be tasked with a nominal amount of cement at approximately 1670' (sufficient to be 100' below base of salt). If production is indicated, the salt string will be pulled prior to running the 4 1/2" production string as above. All drilling & cementing procedures will be in accordance with OCC order No. 2-111-A.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company **Harvey E. Yates**

Address **100 Carper Building**

Artesia, New Mexico

By **R.W. Fandenberg**

Title **Geologist**

GPO 862040

EXHIBIT "A"

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

FORM C-128
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

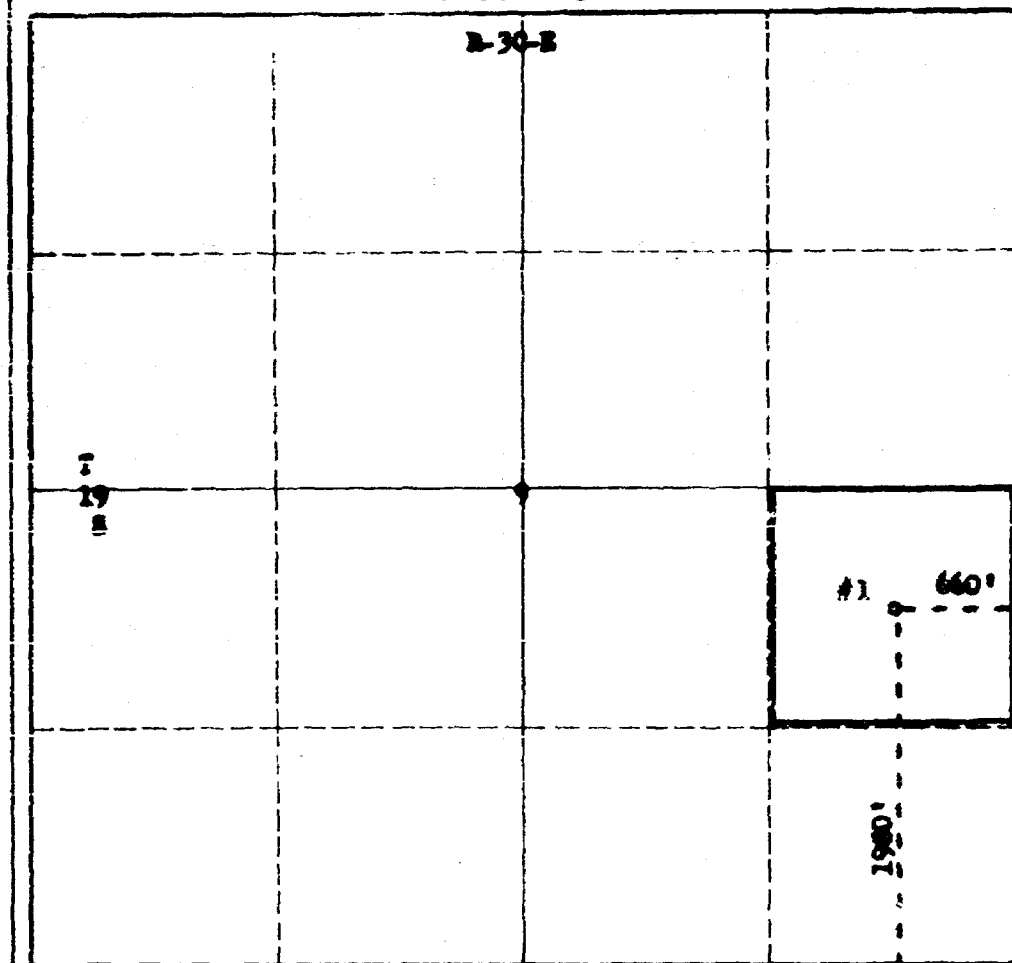
SECTION A

Operator Harvey E. Yates			Lease Federal		Well No. 1
Unit Letter I	Section 9	Township 2-19-S	Range 2-30-E	County Blanco	
Actual Footage Location of Well: 1980 feet from the South line and 660 feet from the East line					
Ground Level Elev. 3350	Producing Formation		Pool	Dedicated Acreage: 40 Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ☐ ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (c) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communization agreement or otherwise? YES ☐ NO ☐ If answer is "yes," Type of Consolidation _____
3. If the answer to question one is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B



CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name **D.W. Landenberg**

Position **D.W. Landenberg, Sr.**

Geologist

Company **Harvey E. Yates**

Date **11-13-61**

I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

November 14, 1961

Registered Professional Engineer and/or Land Surveyor

[Signature]

Certificate No. **3240**

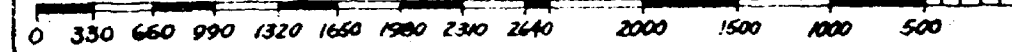


EXHIBIT "B"

SOUTHWEST POTASH CORPORATION

A DIVISION OF AMERICAN METAL CLINQUE, INC.

CARLSBAD, NEW MEXICO

CREATIVE OFFICE
1800 AVENUE OF THE AMERICAS,
NEW YORK 30, N.Y.

November 22, 1961

PLEASE REFER TO
P. O. BOX 400
CARLSBAD, NEW MEXICO

Mr. Harvey E. Yates
309 Carper Building
Artesia, New Mexico

Dear Mr. Yates:

A copy of your Notice of Intention to Drill an oil well at the following location was received today, November 22, 1961:

Federal No. 1, located 1980 feet from South line and 640 feet from East line of Section 9, Township 19S, Range 30E, Eddy County, N.M.

We are protesting the drilling of the well at the proposed location since it is over open mine workings, and within our surface plant area.

Yours very truly,

John F. Sowers
John F. Sowers
General Superintendent

JFS:lp

cc: Mr. F. H. Stewart

EXHIBIT "C"