

WESTERN DEVELOPMENT COMPANY
of Delaware
and
YATES BROTHERS

P. O. Box 427
Artesia, New Mexico
November 15, 1960

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

RE: Graridge Corporation,
Resler-Yates-State No. 31
Unit F, Sec. 21, T-18-S,
R-28-E, Eddy County,
New Mexico

Gentlemen:

This letter is to confirm my telephone conversation of November 14, 1960 with your Mr. J. E. Kapteina in regard to converting the above mentioned well to injection.

In order to expedite the orderly development of the Artesia Flood No. 2 we have no objection to converting the Resler-Yates-State No. 31 to injection. However, we, as overriding royalty owners in the above mentioned 40 acre subdivision of State Lease No. 647, feel that further development drilling on the tract will be necessary in order to prevent drainage and to protect our correlative rights. Our conversations with the Graridge Corporation lead us to believe that future drilling on the 40 acre tract is being considered. However, a firm committment at this time can not be expected and we must necessarily go on record as to our position in this matter.

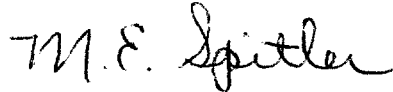
We request that the Graridge application be approved and the injectivity of the Resler-Yates-State No. 31 be observed for a reasonable length of time. If at that time further development

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drilling appears justified and the Graridge Corporation has taken
no steps to expand the waterflood, we shall take further action.

Respectfully yours,

WESTERN DEVELOPMENT COMPANY
of Delaware
and
YATES BROTHERS



M. E. Spitler
General Manager

MES:ds

cc: Western Development Company of Delaware
P. O. Box 1571
Santa Fe, New Mexico

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Room 1210, Tower Building
1700 Broadway
Denver 2, Colorado

Yates Brothers
309 Carper Building
Artesia, New Mexico

Graridge Corporation
P. O. Box 752
Breckenridge, Texas
Attention: Mr. B. G. Harrison