BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF MARTIN YATES, III, FOR PERMISSION TO TRANSPORT OIL, PRIOR TO MEASUREMENT, FROM HIS LEASE COVERING THE NE/4 SW/4 OF SECTION 27, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M., TO OFF-LEASE STORAGE ON THE SE/4 SW/4 OF SAID SECTION 27.	)	No. _____

APPLICATION

COMES MARTIN YATES, III, and in support of this application, respectfully states:

1. That applicant is the operator of State of New Mexico Oil and Gas Lease Number 647 insofar as the same covers the NE/4 SW/4 of Section 27, Township 17 South, Range 28 East, N.M.P.M., in Eddy County, New Mexico, upon which is located the Martin Yates, III, State 647 well. That said well is producing from the Abo Reef formation.

2. That Service Pipeline Company is willing to transport oil produced from said well and is the only pipeline company to which the sale of such production is feasible. That oil from said well cannot be run by gravity from storage on the leased premises to the pipeline.

3. That applicant has acquired from the Commissioner of Public Lands of the State of New Mexico a business lease covering a portion of the SE/4 SW/4 of said Section 27 described as follows:

Beginning at a point 330 feet West and 90 feet South of the Northeast corner of the SE/4 SW/4 of said Section 27; Thence South 220 feet; Thence West 100 feet; Thence North 220 feet; Thence East 100 feet to the point of beginning,

and has erected thereon facilities to store oil produced from his well on the NE/4 SW/4 of said Section 27. That oil can be run by gravity from such storage facilities to the pipeline of Service Pipeline Company.

4. That applicant proposes to transport such oil to the SE/4 SW/4 of said Section 27 prior to measurement.

5. That all oil to be transported pursuant to the permission hereby applied for is from the same common source of supply, being the Abo Reef formation.

6. That no commingling of production from the two leases will result and that there will be no intercommunication of the handling, separating, treating or storage facilities designated to each lease.

7. That the only owners of interests in the oil and gas lease on the NE/4 SW/4 of said Section 27 other than applicant are the State of New Mexico, Harvey E. Yates, S. P. Yates and John A. Yates. That the Commissioner of Public Lands of the State of New Mexico has consented to the relief prayed for herein, as will appear from his letter dated August 14, 1962, and that the said Harvey E. Yates, S. P. Yates and John A. Yates join in executing this application to evidence their consent.

MARTIN YATES, III
Oil Producer

ARTESIA, NEW MEXICO

323 CARPER BUILDING
DIAL SHERWOOD 6-3558

August 27, 1962.

Oil Conservation Commission,
Santa Fe, New Mexico.

Gentlemen:

Enclosed please find plat covering E½ SW¼ of Section 27, Township 17 South, Range 28 East, Eddy County, New Mexico, which plat shows location of wells drilled on said lease and the location of my off-lease storage.

On NE¼ SW¼ Section 27, T. 17 S., R. 28 E., John A. Yates has completed a Seven-Rivers well known as John A. Yates, Lois Mae No. 1, and is perforated at 786-790; 794-796 and 930-936. This well is located 1650 feet north of the south line and 2310 feet east of the west line of Section 27.

Also on NE¼ SW¼ of Section 27, Martin Yates, III has completed an Abo well, known as the Martin Yates, III, State 647, No. 1 well, which is perforated at 5987-6000; 6032-6041; 6045-6048 and 6052-6056. This well is located 1650 feet north of the south line and 2260 feet east of the west line of Section 27.

These two wells are the only producing wells on NE¼ SW¼ of Section 27, and this forty is a part of State of New Mexico Lease No. 647.

On the SE¼ SW¼ of Section 27, T. 17 S., R. 28 E., Chambers & Kennedy have drilled two wells on State of New Mexico Lease No. E-135-1. They have drilled an Abo well known as the Chambers & Kennedy No. 1, which is located 330 feet north of the south line and 2310 feet east of the west line of Section 27. This well is perforated at 6112-6130 feet. Chambers & Kennedy have completed their No. 2 well out of the Premier Sand, and is located 990 feet north of the south line and 2310 feet east of the west line of Section 27. This well is perforated at 2015 to 2025 feet.

The location of off-lease storage for Martin Yates, III, State 647, No. 1 well, is outlined in the SE¼ SW¼ of Section 27, as shown on the plat, and is marked "Tank Battery."

Very truly yours,

Martin Yates III

Martin Yates, III

MY:nc

NE ¼ SW ¼ Sec. 27 - T18S R28E

ILLEGIBLE