

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF MALCO REFINERIES, INCORPORATED,)
DALE RESLER d/b/a RESLER OIL COMPANY,)
AND MARTIN YATES JR. FOR APPROVAL OF)
THE DEEPENING OF AN UNORTHODOX)
LOCATION)

No. _____

TO THE HONORABLE OIL CONSERVATION COMMISSION OF THE STATE OF
NEW MEXICO:

The Petitioners herein, appearing by their attorney, Donald S. Bush of Artesia, New Mexico, hereby make application for an order approving the deepening of an unorthodox location, located 220 feet from the East line and 880 feet from the North line of Section 32, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico; said locations being closer to the boundary lines of the units involved than is permitted by general rules and regulations, and in support thereof respectfully state as follows:

1. That said unorthodox location, known as the Flynn, Welch, and Yates State No. 28 Well, was previously completed to a total depth of approximately 2039 feet, on or about the 28th day of September, 1925, prior to the enactment of the Oil and Gas Conservation laws of the State of New Mexico.

2. That the unit on which said well was drilled is a part of that certain oil and gas lease No. 647, title to which, by subsequent assignments, has been lodged in Malco Refineries, Incorporated, Dale Resler d/b/a Resler Oil Company, and Martin Yates Jr., as co-owners.

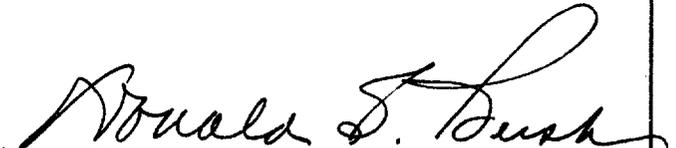
3. That your Petitioners desire to deepen said unorthodox location to a depth of approximately 2900 feet for the reason that the production of said well has been reduced below the economic limit of production and that by deepening said well, your Petitioners can more economically obtain the geological

information necessary to determine the feasibility of drilling said acreage to said lower depth.

4. That the owner of the forty acre unit, immediately adjacent on the East of the unit affected by this Petition, makes no objections to the requests contained herein, as shown by the Waiver, hereto attached, marked Exhibit "A" and made a part hereof.

In consideration of the foregoing statements, your Petitioners respectfully request that the Commission give notice as required by the rules and regulations of the Commission; that a hearing on this matter be held; that the Petitioners be permitted to offer proof of the facts herein stated, and that the Commission make the following finding and order, to wit:

A. That the Commission execute an order authorizing your Petitioners to deepen the unorthodox location as herein stated.


Donald S. Bush
Artesia, New Mexico
Attorney for Petitioners

W A I V E R

The undersigned, being the owner and operator of the 40 acre tract immediately adjacent on the East to the acreage affected by the above Petition, do hereby make our general entry of appearance herein, expressly waive any objections to the requests made in said Petition, and consent to the orders requested therein without further notice to us.

Rudco Oil and Gas Company,
a corporation

By 