

Case 1233

A. J. LOSEE  
ATTORNEY AT LAW  
CARPER BUILDING - P. O. BOX 644  
ARTESIA, NEW MEXICO  
18 March 1957

*Docket sent to L. L. Loeel  
& 7 Potash Companies  
4-5-57. J.P.*

New Mexico Oil Conservation Commission  
125 Mabry Hall  
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Secretary-Director

Re: Application of Lillie M. Yates for approval  
of drilling location

Dear Mr. Porter:

Enclosed is the application, in triplicate, of Mrs. Lillie M. Yates for approval of her oil well drilling location in the NW/4 SE/4 of Section 4, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. This location is in the potash area, as defined by Order R-111-A of the New Mexico Oil Conservation Commission, and is on land covered both by Mrs. Yates' Federal Oil and Gas Lease No. LC 060585 and by Federal Potash Lease No. LC 067319-B, which is owned by Southwest Potash Corporation.

As recently discussed with you, the oil and gas lease in question will expire on March 31, 1957, unless an extension thereof can be obtained from the Director of the Geological Survey, at least during the pendency of the enclosed application plus sufficient additional time for the commencement of operations in the event that the Commission's ruling is favorable to Mrs. Yates. We would appreciate having this application set for hearing as soon as possible, and in this connection we call to your attention the fact that Southwest Potash Corporation has waived the arbitration conference provided for by Order R-111-A, for the reason that conferences already held between the parties have been unsuccessful in effecting satisfactory settlement, and that Mrs. Yates, in the enclosed application, concurs in such waiver.

Very truly yours,

  
A. J. Losee

EBS  
Enclosure  
c.c. Mr. Aubrey Smith, Vice President  
Southwest Potash Corporation

Mr. John A. Anderson, Regional Supervisor  
Oil and Gas Geological Survey

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF LILLIE  
M. YATES FOR APPROVAL OF OIL WELL DRILLING  
LOCATION IN THE NW/4 SE/4 OF SECTION 4,  
TOWNSHIP 19 SOUTH, RANGE 30 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO, -IN COMPLIANCE WITH  
ORDER R-111-A OF THE OIL CONSERVATION COM-  
MISSION OF NEW MEXICO

No. 1233

APPLICATION

NOW COMES Lillie M. Yates and respectfully shows the  
Commission:

1. That applicant is the owner of Federal Oil and  
Gas Lease Las Cruces Serial No. 060585, insofar as said lease  
covers the following land in Eddy County, New Mexico:

Lots 3 and 4, S/2 NW/4 and E/2 SW/4 Section 3,  
Lot 3, S/2 NW/4 and SE/4 Section 4, Township  
19 South, Range 30 East, N.M.P.M., Eddy County,  
New Mexico.

2. That applicant on March 9, 1957, filed with the  
Artesia Office of the Oil Conservation Commission of New Mexico  
her Notice of Intention to Drill a well to test the Delaware  
Sand on the leased premises at a location 1980 feet from the  
South line and 1980 feet from the East line of said Section 4,  
Township 19 South, Range 30 East. That such location is in the  
potash area, as defined in the Commission's Order R-111-A. That  
in compliance with Paragraph VII of said Order applicant delivered  
a copy of her said Notice of Intention to Drill, with an attached  
plat showing the location of the proposed well, to Southwest  
Potash Corporation, the only potash lessee holding a lease on  
land within one mile of said proposed well location.

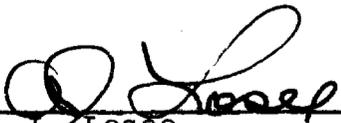
3. That in her above mentioned Notice of Intention to  
Drill filed with the Oil Conservation Commission of New Mexico,  
applicant set out, as her proposed intentions with regard to the  
setting and cementing of casing, a program that will fully comply  
with the relevant provisions of the Commission's Order R-111-A.

That in addition to the proposed program outlined in said Notice applicant will, if permitted to drill the above mentioned well, use all practicable means to safeguard the interests of Southwest Potash Corporation and will in all respects fully comply with said Order R-111-A.

4. That on March 11, 1957, Southwest Potash Corporation filed with the Artesia office of the Oil Conservation Commission of New Mexico its protest of the applicant's above mentioned Notice of Intention to Drill, waived the arbitration conference provided for by Paragraph VII of the Commission's Order R-111-A and requested that the matter be set for hearing before the Oil Conservation Commission of New Mexico. That two prior conferences between representatives of the applicant and of Southwest Potash Corporation have failed to effect a satisfactory settlement with regard to the drilling of said well, and therefore applicant concurs in the waiver by Southwest Potash Corporation of the arbitration conference provided for by the Commission's Order R-111-A and requests that this matter be set for hearing before the Oil Conservation Commission of New Mexico.

5. That applicant's lease will expire on March 31, 1957, unless operations under same can be commenced prior to such date or unless a suspension of applicant's Federal Lease can be obtained on account of applicant's inability to drill on the leased premises by reason of the conflict of applicant's interests with those of the potash lessee. That applicant, therefore, requests that the hearing applied for be held at the earliest possible date.

WHEREFORE applicant respectfully prays that this application be set for hearing after due notice as required by law and that an order be entered approving applicant's above mentioned proposed oil well drilling site.

  
\_\_\_\_\_  
A. J. Losee  
Artesia, New Mexico  
Attorney for Applicant