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BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
S. P. YATES FOR APPROVAL OF THE
SW/4 SE/4 SECTION 21, 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. 2583

APPLICATION

COMES S. P. YATES by his attorneys, Losee and Stewart, and respectfully state:

1. That Applicant is the owner of Federal Oil and Gas Lease NM 02041, covering among other lands the SW/4 SE/4 Section 21, 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 2075 feet below the surface in the center of the said SW/4 SE/4 Section 21, and a Plat showing the location of said well, with the Artesia office of the Oil Conservation Commission, hereinafter referred 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 reference are made a part hereof.

3. That a copy of said Notice of intention to drill and Plat were mailed by registered mail to Potash Company of America, the potash lessee holding a lease on land within one mile of said proposed well location. That on November 22, 1961, Potash Company of America did protest the drilling of the well at the proposed location for the reason that it will result in undue waste of potash deposits of substantial value, 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 Potash Company of America 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 SW/4 SE/4 Section 21, 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.

S. P. YATES

By



A. J. Losee of
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