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July 5, 1974

RECEIVED

JUL 8 1974

O. C. C.
ARTESIA, OFFICE

Mr. W. A. Gressett
Supervisor and Oil and Gas Inspector
Oil Conservation Commission
Drawer DD
Artesia, New Mexico 88210

Dear Mr. Gressett:

We enclose 6 copies of Form C-101 which is the application of Mesa Petroleum Company to drill a Morrow test well in Unit H, 1980 feet from the north line and 660 feet from the east line of Section 13, Township 23 South, Range 29 East, Eddy County. We also enclose 4 copies of Form C-102.

We made application on behalf of Mesa Petroleum Company for approval of an unorthodox gas well location to be located 1300 feet from the south line and 660 feet from the east line of Section 12, Township 23 South, Range 29 East. The hearing on this application is set before the Commission for Wednesday, July 17.

Potash Company of America has the potash lease covering the SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 13 and other potash leases in the area. Potash Company of America, through Mr. Roy Blackman, advised that it would protest the application for the unorthodox location. After a number of conferences Mesa and Potash Company of America have reached a compromise under which Mesa has agreed to withdraw its application for the unorthodox location and to make application for an orthodox location in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 13. In return, Potash Company of America has agreed not to protest the drilling of the well at the orthodox location in Section 13. There is a core test hole located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 13 which indicates that there are no deposits of mineable potash ore in the immediate area.