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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 1070 feet from the North line and 1070 feet from the
East line of Section 28, Township 18 South, Range 28 East, N.M.P.M.,
Eddy County, New Mexico; said location 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 was known as the Flynn,
Welch, and Yates State No. 52 well, and was previously completed
to a total depth of 2160 feet on the 15th day of October, 1926,
prior to the enactment of the Oil and Gas Conservation Laws of
the State of New Mexico.

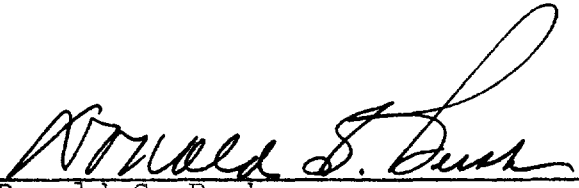
2. That the unit on which said well was drilled is a
part of that certain oil and gas lease No. 647, title to which, by
subsequent assignments, has been lodged in Malco Refineries,
Incorporated, Dale Resler d/b/a Resler Oil Company, and Martin
Yates Jr., as co-owners.

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 Petition-
ers can more economically obtain the geological information

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

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 of 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