BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF BYRON MCKNIGHT FOR PERMISSION TO DRILL TWO EXPLORATORY TEST WELLS IN THE POTASH-OIL AREA, LEA COUNTY, NEW MEXICO, AND FOR AN EXCEPTION TO ORDER R-111-A TO THE CASING REQUIRE-MENTS FOR THE TWO EXPLORATORY WELLS

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Case No. 4270

APPLICATION

COMES BYRON McKNIGHT by his attorney and in support of this application, states:

1. Applicant is the operator of the Yates Formation underlying the S/2 NE/4 of Section 26, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

2. Operator proposes to drill the Ann No. 1 well to a depth of approximately 3,800 feet below the surface of the SW/4 NE/4 of Section 26.

3. Applicant proposes to drill the Ann "A" No. 1 well to a depth of approximately 3,800 feet below the surface of the SE/4 NE/4 of said Section 26.

4. In the drilling of the Ann No. 1 well and the Ann "A" No. 1 well, applicant proposes to utilize the following casing and cementing program, to-wit:

> 8-5/8 inch casing set at approximately 300 feet, with such casing to be cemented with approximately 300 sacks necessary to circulate the cement to the ground surface

4-1/2 inch casing set at approximately 3,800 feet, with such casing to be cemented with 2,500 sacks necessary to circulate the cement to the surface of the ground.

5. The two exploratory well locations are within the Potash-Oil Area, Lea County, New Mexico, defined in Order R-111-A, and the applicant's proposed casing and cementing programs for the two exploratory test wells are not in compliance with said Order R-111-A.

6. That Potash Company of America, Box 31, Carlsbad, New Mexico, and Dan Harroun, 601 Riverside Drive, Carlsbad, New Mexico, are all of the potash operators holding Potash Leases within a radius of one mile of the two exploratory wells. That applicant has furnished each of said potash operators with the well location plat and the notice of intention to drill each of the exploratory wells. The Return Receipts for such Certified Mail are hereto attached and by reference made a part hereof.

7. The approval of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing, the Commission enter its Order granting permission to applicant to drill the two exploratory test wells in the Potash-Oil Area, Lea County, New Mexico, and grant to applicant an exception to the casing requirements of Order R-111-A for the two exploratory wells.

C. And for such other relief as may be just in the premises.

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BYRON McKNIGHT By: 0000 A. J. Losee

P. O. Drawer 239 Artesia, New Mexico

Attorney for Applicant