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BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
HARVEY E. YATES COMPANY FOR APPROVAL OF  
THE EMPIRE SOUTH DEEP UNIT AGREEMENT,  
EDDY COUNTY, NEW MEXICO.

*See 5571*

APPLICATION

COMES HARVEY E. YATES COMPANY, by its attorney, A. J.  
Losee, and states:

1. Applicant proposes as a unitized area, for the  
drilling of an exploratory test well under and by virtue of  
the terms of the Unit Agreement, a copy of which is filed  
herewith and by reference made a part hereof, depth right  
below 4200 feet below the San Andres (approximately 6500  
feet subsurface), pursuant to Section 3 of the Unit Agree-  
ment, the following lands in Eddy County, New Mexico:

Township 17 South, Range 28 East, N.M.P.M.

Section 36: E/2 ✓

Township 18 South, Range 28 East, N.M.P.M.

Section 1: All ✓  
Section 12: NE/4 ✓

Township 17 South, Range 29 East, N.M.P.M.

Section 30: All ✓  
Section 31: All ✓  
Section 32: All ✓  
Section 33: SW/4 ✓

Township 18 South, Range 29 East, N.M.P.M.

Section 4: NW/4 ✓  
Section 5: All ✓  
Section 6: All ✓  
Section 7: N/2 ✓  
Section 8: NW/4 ✓

containing 4967.87 acres, more or less.

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2. The unit area established by the Unit Agreement is composed of 53.4565% (2655.65 acres) federal land, 40.1021% (1992.22 acres) state land and 6.4414% (320 acres) fee land.

3. Applicant requests that Midwest Oil Corporation be the operator of the unit area.

4. On January 21, 1971, the Commissioner of Public Lands, State of New Mexico, approved the Unit Agreement as to form and content.

5. On February 18, 1971, the Acting Director of the United States Geological Survey designated the unit area as "a logical unit area" and approved the Unit Agreement as to form, subject to minor changes which have been made in the Unit Agreement attached to this Application.

6. Section 20 of the Unit Agreement entitled "Effective Date and Term" provides that the agreement will become effective upon approval by the Secretary of the Interior and the Commissioner of Public Lands, or their duly authorized representatives, and shall terminate five (5) years from said date, unless extended as provided in said Section 20.

7. The proposed plan for the exploration and development of the unitized rights underlying the above described unit area will promote the prevention of waste and protect correlative rights within the unit area.

WHEREFORE, applicant prays:

A. That this matter be set for hearing before an examiner appointed by the Commission at the earliest possible date and that due public notice be given as required by law.

B. That the Commission approve the Empire South Deep

Unit Agreement for the exploration, development and operation of the unit area as a proper conservation measure.

DATED this July 20, 1971.

HARVEY E. YATES COMPANY

By 

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Attorneys at Law  
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