



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

**TONEY ANAYA**  
GOVERNOR

January 10, 1984

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Mr. Thomas Kellahin  
Kellahin & Kellahin  
Attorneys at Law  
Post Office Box 2265  
Santa Fe, New Mexico

Re: CASE NO. 8040  
ORDER NO. R-7423-A

Applicant:

TXO Producing Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY  
Director

JDR/ fd

Copy of order also sent to:

Hobbs OCD	<b>x</b>
Artesia OCD	<b>x</b>
Aztec OCD	

Other \_\_\_\_\_

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 8040  
Order No. R-7423-A

APPLICATION OF TXO PRODUCING CORPORATION  
FOR A NON-STANDARD PRORATION UNIT, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on December 15, 1983, and January 4, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of January, 1984, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, TXO Producing Corporation, seeks approval of an 80-acre non-standard oil proration unit comprising the NE/4 SW/4 and the NW/4 SE/4 of Section 6, Township 19 South, Range 35 East, NMPM, to be dedicated to a well to be drilled at a standard location as authorized under the terms of Division Order No. R-7423.

(3) That the entire non-standard proration unit may reasonably be presumed productive of oil from the Scharb-Bone Springs Pool and that the entire non-standard oil proration unit can be efficiently and economically drained and developed by the aforesaid well.

(4) That said Division Order No. R-7423 should be continued in full force and effect.

(5) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the oil in the Scharb-Bone Springs Pool, will prevent

-2-

Case No. 8040

Order No. R-7423-A

the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

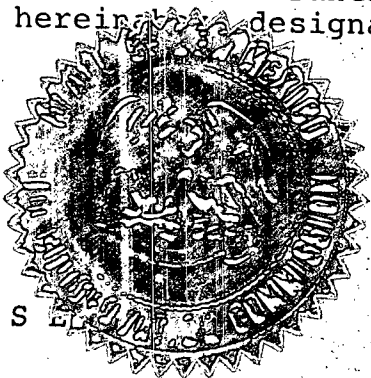
IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard oil proration unit in the Scharb-Bone Springs Pool comprising the NE/4 SW/4 and the NW/4 SE/4 of Section 6, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico, is hereby approved for TXO Production Corporation to be dedicated to a well to be drilled at a standard location thereon.

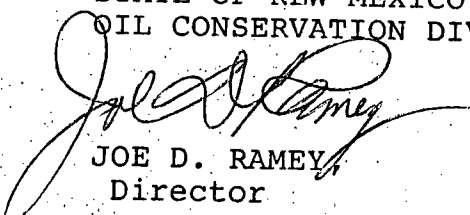
(2) That Division Order No. R-7423 is continued in full force and effect.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY,  
Director