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300 AMERICAN HOME BUILDING P. O. DRAWER 239

ARTESIA, NEW MEXICO 88211-0239

May 19, 1983



Mr. Joe D. Ramey, Director Energy and Minerals Department Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501 Case 7895

Dear Mr. Ramey:

Enclosed for filing, please find three copies of the Application of TXO Production Corp. for an Unorthodox Oil Well Location, Lea County, New Mexico.

We ask that this case be set for hearing before an examiner, and that you furnish us with a docket of said hearing.

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.

Chad Dickerson

CD:pvm

cc w/enclosure: Mr. Randy Click

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF TXO PRODUCTION CORP. FOR AN UNORTHODOX OIL WELL LOCATION, LEA COUNTY, NEW MEXICO

CASE NO. 5895

APPLICATION

COMES NOW TXO Production Corp., by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the Bough "C" Penn formation, underlying:

Township 10 South, Range 34 East, N.M.P.M.

Section 17: W/2 NE/4, E/2 NW/4

containing 160 acres, more or less,

and proposes to drill its Vada State "17" No. 1 Well at a point located 660 feet from the north line and 2,615 feet from the west line of said Section 17, projected as an oil well.

2. The applicant seeks an exception to the well location requirements of the applicable Rule of the Oil Conservation Division and the special pool rules in effect, Vada Penn Pool, Lea County, New Mexico, to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test the said Penn formation.

3. A non-standard 160-acre oil proration unit comprising the W/2 NE/4, E/2 NW/4 of said Section 17 should be dedicated to such well.

4. The approval of this application will afford applicant the opportunity to produce its just and equitable share, will prevent 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 prevent 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 Division enter its order granting applicant permission to drill its Vada State "17" No. 1 Well at a point 660 feet from the north line and 2,615 feet from the west line of said Section 17, and to dedicate the W/2 NE/4, E/2 NW/4 of Section 17.

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

TXO PRODUCTION CORP.

Chad Dickerson

LOSEE, CARSON & DICKERSON, P.A.

P. O. Drawer 239

Artesia, New Mexico 88210

Attorneys for Applicant

OF THE STATE OF NEW MEXICO

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