

KELLAHIN AND KELLAHIN

Attorneys at Law

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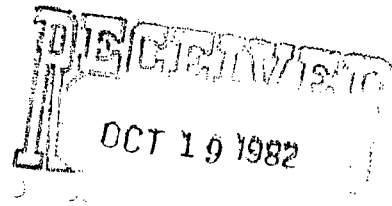
Telephone (505) 982-4285

Jason Kellahin
W. Thomas Kellahin

Karen Aubrey
James B. Grant

October 18, 1982

Mr. Joe D. Ramey
Oil Conservation Division
P. O. Box 2088
Santa Fe, N. M. 87501



Case 7728

Re: TXO Production Corp.

Dear Mr. Ramey:

Please set the enclosed application for
hearing on November 10, 1982.

Very truly yours,

A large, stylized handwritten signature in dark ink. The signature is cursive and appears to read "W. Thomas Kellahin". It is written over the typed name of the signatory.

W. Thomas Kellahin

WTK:mm
Enc.

cc: Mr. Hunter White,
TXO Production Corp.

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
TXO PRODUCTION CORP. FOR APPROVAL
OF A NON-STANDARD GAS PRORATION AND
SPACING UNIT, BASIN-DAKOTA GAS POOL, O
SAN JUAN COUNTY, NEW MEXICO.

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Case 7728

A P P L I C A T I O N

Comes now TXO PRODUCTION CORPORATION by and through its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for an order approving a non-standard gas proration and spacing unit consisting of the NW/4 of Section 31, T24N, R9W, NMPM, Basin-Dakota Gas Pool, San Juan County, New Mexico, and in support thereof would show:

1. Applicant is the operator of the NW/4 of Section 31, 24N, R9W, NMPM.

2. Applicant has attempted to form a standard 320 acre proration and spacing unit consisting of either the N/2 or the W/2 of Section 31 and is unable to do so.

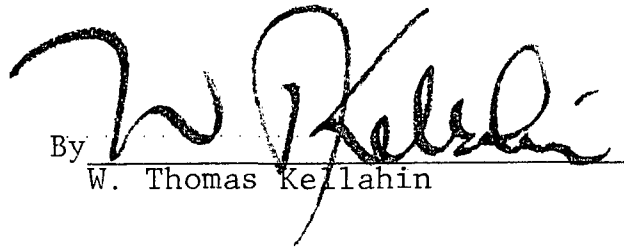
3. Dugan Production Corporation is the operator in the E/2 of Section 31 and has elected to drill its own Dakota test well, thereby precluding the applicant from dedicating the NE/4 to form a standard N/2 proration and spacing unit.

4. The SW/4 of Section 31 is unleased Indian lands which may or may not ever be placed up for lease.

5. Applicant believes that approval of this application will best allow it to protect its correlative rights and to prevent waste.

WHEREFORE Applicant requests that this matter be set for hearing and that after notice and hearing the application be granted as requested.

KELLAHIN & KELLAHIN

By 
W. Thomas Kellahin