

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

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OIL CONSERVATION DIVISION

IN THE MATTER OF THE
APPLICATION OF TXO
PRODUCTION COMPANY, FOR
COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 8407

A P P L I C A T I O N

COMES NOW, TXO PRODUCTION COMPANY, and applies to the New Mexico Oil Conservation Division of New Mexico for an Order pooling all mineral interests from the surface to 7,250 feet, Drinkard Formation House Pool, underlying the NW/4 SE/4 of Section 6, Township 20 South, Range 39 East, NMPM, Lea County, New Mexico, for the formation of a proration and spacing unit for the said production and in support thereof would show the Commission:

1. Applicant is an owner of the right to drill and develop the NW/4 SE/4 of Section 6, Township 20 South, Range 39 East, NMPM.

2. Applicant proposes to drill the Hurd No. 1 Well at a standard location and to dedicate the NW/4 SE/4 of said Section to the well.

3. Applicant has sought to obtain the cooperation of all parties.

4. In order to obtain their just and equitable share of the production underlying the above lands, Applicant needs an Order pooling the mineral interest involved.

5. Those who have not consented to join in the drilling of the well, with their addresses, to the best of Applicant's information and belief, are as follows:

1. Priscilla A. Kyte
Conservator of the Estate of
David Bond Kyte
Post Office Box 30036
Santa Barbara, California 93105
2. Mrs. Frances Pruner
Mr. Daryl Pruner
Estado Corporation
1900 State Street
Santa Barbara, California 93101
3. Wilbur A. Yeager, Jr., and wife
Patsy Goss Yeager
Post Office Box 990
Midland, Texas 79702
4. North American Royalties Inc.
Empire Plaza Building
Suite 850
Midland, Texas 79701
5. James Galbraith Armstrong and
Mary Helen Seeton, Executors of the
Estate of Jay M. Armstrong, deceased.
Post Office Box 990
Midland, Texas 79702

6. Mary Lee Armstrong
2800 W. Illinois
Midland, Texas 79701
7. Beatty Oldham
(as attorney in fact for
Catherine L. Dumraese, a widow.)
1622 Bank of the Southwest Building
Houston, Texas 77002

The foregoing interests total twenty-five percent (25%) working interest.

6. The parties named in paragraph 5 above have been furnished a copy of this application.

WHEREFORE, Applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its Order pooling the mineral interest described herein. Applicant further prays that it be named operator of the well, and that the Order make provision for Applicant to recover out of production its costs of drilling the subject well, completing and equipping it, costs of operation, including costs of supervision and a risk factor in the amount of 200% for the drilling of the well, for such other and further relief as may be proper.

Respectfully submitted,

TXO Production Company

By: Karen Aubrey

Karen Aubrey
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Attorneys for Applicant

cc: Mr. David M. Hundley
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