

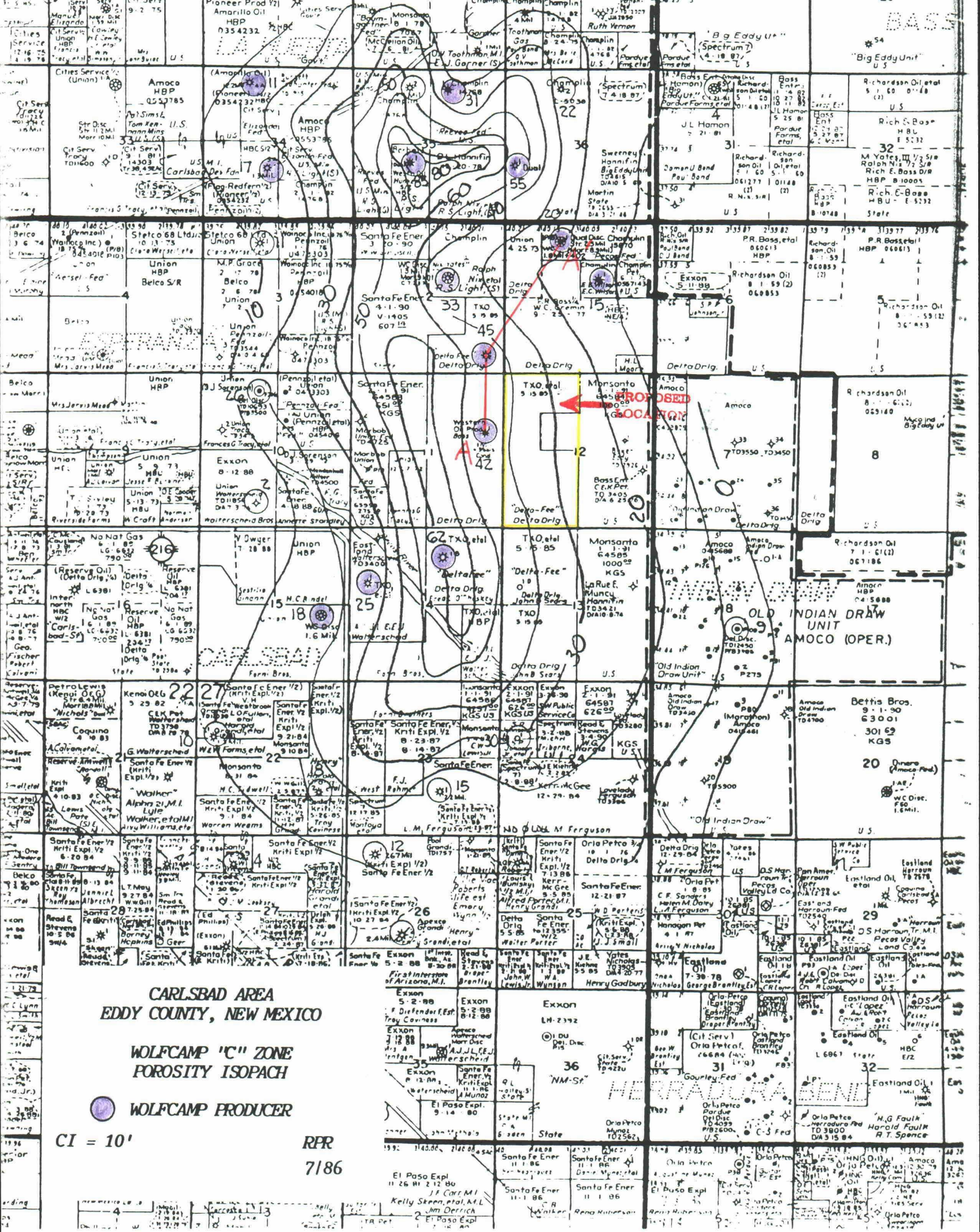
CARLSBAD AREA
EDDY COUNTY, NEW MEXICO

STRUCTURE TOP OF WOLFCAMP

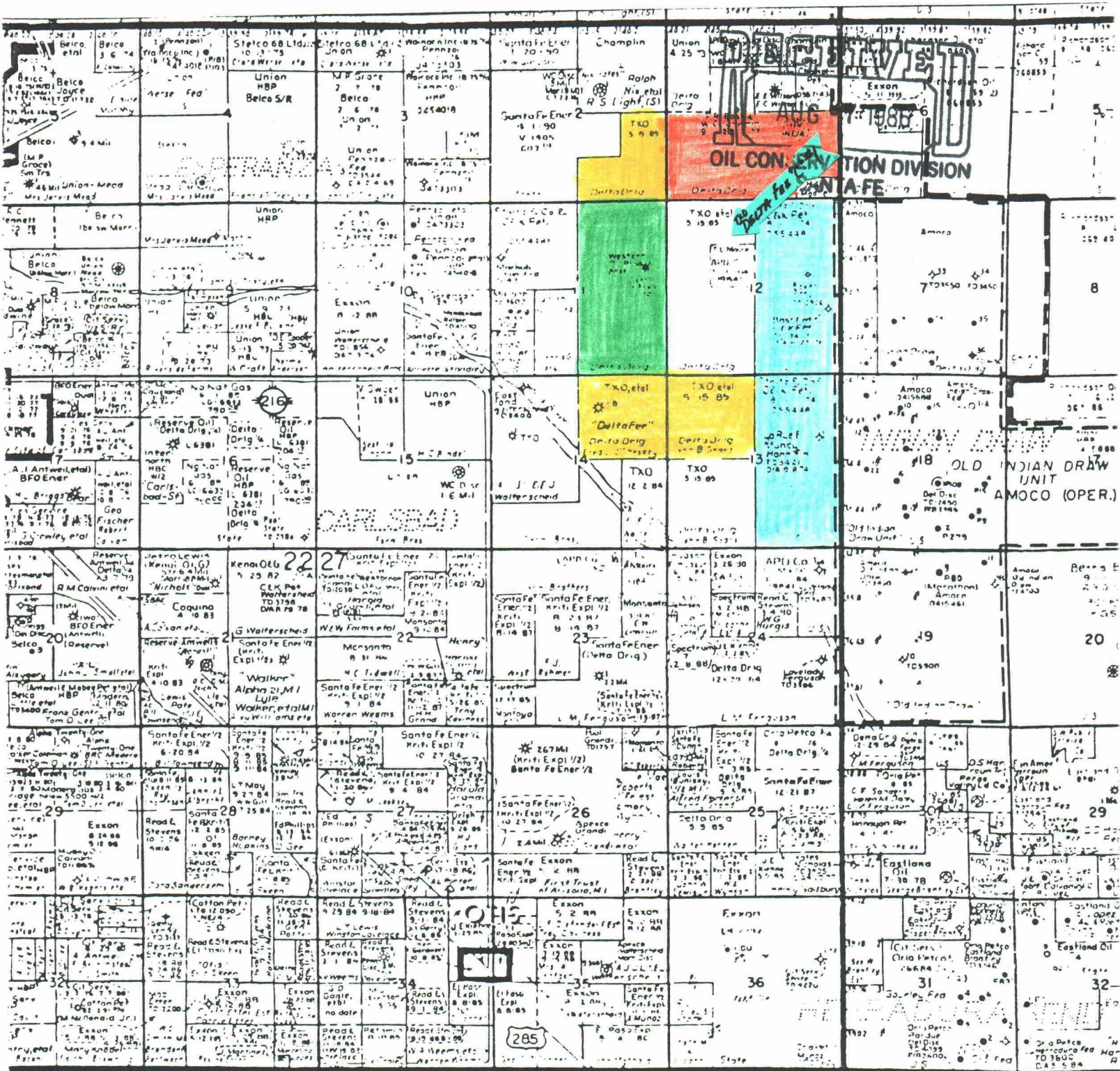
CI = 50'

RPR

7186



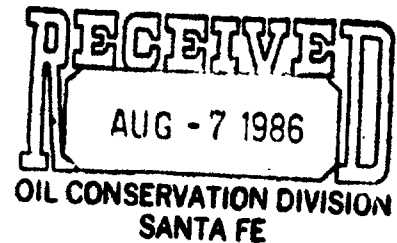
LAND PLAT SHOWING
OFFSET OPERSTORS



- BHP Petroleum, Inc.
- TXO Production Corp.
- Bass Enterprises Production Co.
- Western Oil Producers, Inc.

COPIES OF CORRESPONDENCE
AND WAIVERS

July 25, 1986



Bass Enterprises Production Co.
First City Tower Building
201 Main Street
Fort Worth, Texas 76102

CERTIFIED MAIL

Attention: Mr. Louis Wilpitz

Re: Application for Unorthodox
Drilling Permit
Exception to Rule 104C II (a)
Delta Fee "C" #1 well
W/2 Section 12, T-22-S, R-27-E
Eddy County, New Mexico

Gentlemen:

TXO Production Corp. plans to drill a well 1980' FWL and 990' FNL of Section 12, T-22-S, R-27-E, Eddy County, New Mexico. This well will be drilled to a depth of 10,100' or to a depth sufficient to test the Wolfcamp formation, and the W/2 Section 12 will be the acreage dedicated to the well.

The Pool Rules for the Carlsbad East (Wolfcamp Gas) Pool and the Statewide Rule 104 provide that the well must be located not closer than 660' to the nearest side boundary of a dedicated tract nor closer than 1980' to the nearest end boundary of the dedicated tract. Consequently, the proposed location will require an exception to the well location requirement rules.

TXO wishes to drill the Delta Fee "C" #1 well at this location because we feel it is necessary if we are to recover economic quantities of oil and gas reserves underlying our lease. We are also convinced the distance from the proposed location to other producing wells is sufficient to insure no harmful effect on other producers.

If you have no objection to this location, please date and execute the three attached Waivers of Objection and return two executed copies to our Midland office. A self-addressed envelope has been enclosed for your convenience and a third copy has been enclosed for your files. Please give me a call should you have any questions or want to discuss this matter further. Thank you for your assistance and cooperation.

Sincerely,

David M. Hundley
District Landman

DMH/dlt
Enclosures

P 139 228 832

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

★ U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982

Sent to Bass Enterprises Production	
Street and No. 1st City Tower Bldg. 201 Main Street	
P.O., State and ZIP Code Fort Worth, TX 76102	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3811, July 1983

● **SENDER: Complete items 1, 2, 3 and 4.**

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

- ☒ Show to whom, date and address of delivery.
- ☐ Restricted Delivery.

3. Article Addressed to:
(Attn: Mr. Louis Wilpitz)
Bass Enterprises Production Co.
First City Tower
201 Main Street
Fort Worth, TX 76102

4. Type of Service:	Article Number
<input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	P 139 228 832

Always obtain signature of addressee or agent and
DATE DELIVERED.

5. Signature — Addressee
X

6. Signature — Agent
X *[Signature]*

7. Date of Delivery
JUL 28 1986

8. Addressee's Address (ONLY if requested and fee paid)
Same

DOMESTIC RETURN RECEIPT

July 25, 1986

Western Oil Producers, Inc.
1200 South Richardson
P. O. Box 1498
Roswell, New Mexico 88201

CERTIFIED MAIL

Re: Application for Unorthodox
Drilling Permit
Exception to Rule 104C II (a)
Delta Fee "C" #1 well
W/2 Section 12, T-22-S, R-27-E
Eddy County, New Mexico

Gentlemen:

TXO Production Corp. plans to drill a well 1980' FWL and 990' FNL of Section 12, T-22-S, R-27-E, Eddy County, New Mexico. This well will be drilled to a depth of 10,100' or to a depth sufficient to test the Wolfcamp formation, and the W/2 Section 12 will be the acreage dedicated to the well.

The Pool Rules for the Carlsbad East (Wolfcamp Gas) Pool and the Statewide Rule 104 provide that the well must be located not closer than 660' to the nearest side boundary of a dedicated tract nor closer than 1980' to the nearest end boundary of the dedicated tract. Consequently, the proposed location will require an exception to the well location requirement rules.

TXO wishes to drill the Delta Fee "C" #1 well at this location because we feel it is necessary if we are to recover economic quantities of oil and gas reserves underlying our lease. We are also convinced the distance from the proposed location to other producing wells is sufficient to insure no harmful effect on other producers.

If you have no objection to this location, please date and execute the three attached Waivers of Objection and return two executed copies to our Midland office. A self-addressed envelope has been enclosed for your convenience and a third copy has been enclosed for your files. Please give me a call should you have any questions or want to discuss this matter further. Thank you for your assistance and cooperation.

Sincerely,

David M. Hundley
District Landman

505/623-3131
746-2719 *Shp*

DMH/dlt
Enclosures

PS Form 3811, July 1983

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. ☒ Show to whom, date and address of delivery.

2. ☐ Restricted Delivery.

3. Article Addressed to:
Western Oil Producers, Inc.
1200 South Richardson
P. O. Box 1498
Roswell, NM 88201

4. Type of Service: Article Number
☐ Registered ☐ Insured
☒ Certified ☐ COD P 139 228 833
☐ Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
X

6. Signature - Agent
X *Kelia Brown*

7. Date of Delivery
7-28-86

8. Addressee's Address (ONLY if requested and fee paid)
P.O. Box 1498

DOMESTIC RETURN RECEIPT

P 139 228 833

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

★ U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982

Sent to <i>Western Oil Producers</i>	
Street and No. <i>1200 S. Richardson</i>	
P.O. Box <i>1498</i>	
P.O., State and ZIP Code <i>Roswell, NM 88201</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

July 25, 1986

BHP Petroleum Co., Inc.
1300 One First City Center
500 West Texas
Midland, Texas 79701

CERTIFIED MAIL

Attention: Mr. Randall L. Davis

Re: Application for Unorthodox
Drilling Permit
Exception to Rule 104C II (a)
Delta Fee "C" #1 well
W/2 Section 12, T-22-S, R-27-E
Eddy County, New Mexico

Gentlemen:

TXO Production Corp. plans to drill a well 1980' FWL and 990' FNL of Section 12, T-22-S, R-27-E, Eddy County, New Mexico. This well will be drilled to a depth of 10,100' or to a depth sufficient to test the Wolfcamp formation, and the W/2 Section 12 will be the acreage dedicated to the well.

The Pool Rules for the Carlsbad East (Wolfcamp Gas) Pool and the Statewide Rule 104 provide that the well must be located not closer than 660' to the nearest side boundary of a dedicated tract nor closer than 1980' to the nearest end boundary of the dedicated tract. Consequently, the proposed location will require an exception to the well location requirement rules.

TXO wishes to drill the Delta Fee "C" #1 well at this location because we feel it is necessary if we are to recover economic quantities of oil and gas reserves underlying our lease. We are also convinced the distance from the proposed location to other producing wells is sufficient to insure no harmful effect on other producers.

If you have no objection to this location, please date and execute the three attached Waivers of Objection and return two executed copies to our Midland office. A self-addressed envelope has been enclosed for your convenience and a third copy has been enclosed for your files. Please give me a call should you have any questions or want to discuss this matter further. Thank you for your assistance and cooperation.

Sincerely,

David M. Hundley
District Landman

PS Form 3811, July 1983

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. ☒ Show to whom, date and address of delivery. *Fee not Paid*

2. ☐ Restricted Delivery.

3. Article Addressed to:
 BHP Petroleum Co., Inc.
 1300 One First City Center
 500 West Texas
 Midland, Texas 79701
 Attn: Mr. Randall L. Davis

4. Type of Service: Article Number
☐ Registered ☐ Insured
☒ Certified ☐ COD P 139 228 831
☐ Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED.**

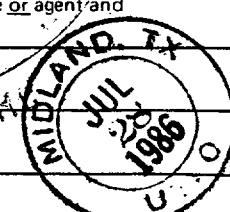
5. Signature - Addressee
 X *[Signature]*

6. Signature - Agent
 X

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT



P 139 228 831

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL

(See Reverse)

* U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982

Sent to BHP Petroleum Co., Inc.	
Street and No. 1300 One 1st City Cen. 500 West Texas	
P.O., State and ZIP Code Midland, Texas 79701	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Sante Fe, New Mexico

Re: Application for Unorthodox
Drilling Permit
Exception to Statewide
Rule 104C. II (a)
TXO Production Corp.
Delta Fee "C" #1 Well
W/2 Section 12, T-22-S, R-27-E
Eddy County, New Mexico

Gentlemen:

BHP Petroleum Co., Inc., as an offset operator or offset owner of operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 10,100' Wolfcamp test at a location 1980' FWL and 990' FNL of Section 12, T-22-S, R-27-E, Eddy County, New Mexico. We understand that this location is closer to the boundaries of the dedicated unit than the rules specified for the Carlsbad East Wolfcamp Gas Pool as well as Statewide Rule 104C. II (a).

This is to advise that BHP Petroleum Co., Inc. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

BHP PETROLEUM CO. INC.

By: _____

Title: _____

Date: _____

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Sante Fe, New Mexico

Re: Application for Unorthodox
Drilling Permit
Exception to Statewide
Rule 104C. II (a)
TXO Production Corp.
Delta Fee "C" #1 Well
W/2 Section 12, T-22-S, R-27-E
Eddy County, New Mexico

Gentlemen:

Western Oil Producers, Inc., as an offset operator or offset owner of operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 10,100' Wolfcamp test at a location 1980' FWL and 990' FNL of Section 12, T-22-S, R-27-E, Eddy County, New Mexico. We understand that this location is closer to the boundaries of the dedicated unit than the rules specified for the Carlsbad East Wolfcamp Gas Pool as well as Statewide Rule 104C. II (a).

This is to advise that Western Oil Producers, Inc. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

WESTERN OIL PRODUCERS, INC.

By: _____

Title: _____

Date: _____

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Sante Fe, New Mexico

Re: Application for Unorthodox
Drilling Permit
Exception to Statewide
Rule 104C. II (a)
TXO Production Corp.
Delta Fee "C" #1 Well
W/2 Section 12, T-22-S, R-27-E
Eddy County, New Mexico

Gentlemen:

BHP Petroleum Co., Inc., as an offset operator or offset owner of operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 10,100' Wolfcamp test at a location 1980' FWL and 990' FNL of Section 12, T-22-S, R-27-E, Eddy County, New Mexico. We understand that this location is closer to the boundaries of the dedicated unit than the rules specified for the Carlsbad East Wolfcamp Gas Pool as well as Statewide Rule 104C. II (a).

This is to advise that BHP Petroleum Co., Inc. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

BHP PETROLEUM CO. INC.

By: 

Title: REGIONAL MANAGER

Date: July 28, 1986