

April 29, 1988

VIA FEDERAL EXPRESS

Energy and Minerals Department
Oil Conservation Division
State Land Office Building, Room 206
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

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MAY 2 1988
OIL CONSERVATION DIVISION
OIL CONSERVATION DIVISION

Case 9382

Re: Township 11 South, Range 37 East, NMPM
Section 36: E/2
Lea County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies each of the following Applications of TXO Production Corp.:

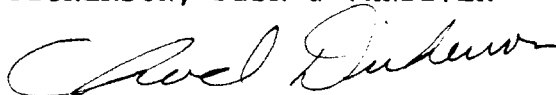
1. Application for Approval of a Unit Agreement, Phiester State Unit, Lea County, New Mexico.
2. Application for Directional Drilling and an Unorthodox Well Location, Lea County, New Mexico.

We ask that these matters be set for hearing before an Examiner on May 15, 1988.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvw
Enclosures

cc w/enclosure: Mr. Richard Coats
Commissioner of Public Lands

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :
OF TXO PRODUCTION CORP. FOR :
APPROVAL OF A UNIT AGREEMENT, :
PHIESTER STATE UNIT, LEA COUNTY, :
NEW MEXICO :
_____ :

CASE NO. 9382

APPLICATION

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

1. Applicant is the operator of the following lands
in Lea County, New Mexico:

Township 11 South, Range 37 East, N.M.P.M.

Section 36: E/2

containing 320 acres, more or less.

2. The Applicant seeks to commit the above described
lands to an exploratory unit known as the Phiester State Unit.
The unit consists entirely of state lands.

3. The ratification or approval of all leasehold own-
ers, including the State of New Mexico, required to ratify such
unit agreement will be forthcoming prior to the effective date of
any order issued pursuant to this Application by the Division.

4. The approval of this Application is in the inter-
est of conservation and will prevent waste and protect correla-
tive 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 approving the Phiester State Unit Agreement, with Applicant as operator, as an exploratory unit embracing the above described lands.

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

TXO PRODUCTION CORP.

By: 
Chad Dickerson

DICKERSON, FISK & VANDIVER
Seventh and Mahone, Suite E
Artesia, New Mexico 88210
(505) 746-9841

Attorneys for Applicant