

September 16, 1985

Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

MS.
8719
Case

Re: Township 17 South, Range 37 East, NMPM
Section 4: E/2 NE/4
Lea County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of TXO Production Corp. for Compulsory Pooling, Lea County, New Mexico.

We ask that this matter be set for hearing before an Examiner, at the Examiner Hearing of October 9, 1985, and that we be furnished with a docket of said hearing.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER


Chad Dickerson

CD:pvm
Enclosures

cc w/enclosure: Mr. David Hundley

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5719

APPLICATION

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

1. Applicant is the operator of all formations from
the surface through the base of the Strawn formation (at approxi-
mately 11,500 feet), underlying:

Township 17 South, Range 37 East, N.M.P.M.

Section 4: E/2 NE/4

containing 80 acres, more or less,
and proposes to drill a well at a point located 2,310 feet from
the north line and 660 feet from the east line of said Section 4,
to a depth sufficient to test the Strawn formation.

2. An 80-acre proration unit, as to production from
the Strawn formation, should be dedicated to such well or to such
lesser portion thereof as is reasonably shown to be productive of
oil, and a 40-acre proration unit, as to all oil produced from
the surface to the top of the Strawn formation, should be dedicat-
ed to such well or to such lesser portion thereof as is reason-
ably shown to be productive of oil.

3. There are interest owners in the E/2 NE/4 Section 4 who have not agreed to pool their interests, and the names and addresses of such parties are as follows:

Mobil Producing Texas & New Mexico Inc.
P. O. Box 633
Midland, Texas 79702

Cleroy, Inc.
P. O. Box 3405
Tulsa, Oklahoma 74101

Lanroy, Inc.
P. O. Box 3405
Tulsa, Oklahoma 74101

Mr. and Mrs. J. R. McGinley
P. O. Box 3405
Tulsa, Oklahoma 74101

Shell Western Exploration and Production, Inc.
P. O. Box 576
Houston, Texas 77001

Texaco, Inc.
P. O. Box 3109
Midland, Texas 79702

Pennzoil Exploration and Production Company
P. O. Box 1828
Midland, Texas 79702
Attention: Mr. Greg Davis

Sohio Petroleum Company
Two Lincoln Centre
5420 L.B.J. Freeway
Suite 1000, Lock Box 03
Dallas, Texas 75240

Atlantic Richfield Company
P. O. Box 1610
Midland, Texas 79702
Attention: Mr. Mike Snyder

Rebel Oil Company
P. O. Box 309
Hobbs, New Mexico 88240
Attention: Ms. Ellie Spear

Black Bear Oil and Gas Corporation
Energy Square, Suite 404
Midland, Texas 79701

Mr. Harry A. Miller, III
Ben White Animal Hospital
2403 Ben White Boulevard
Austin, Texas 78741

Mr. Harry A. Miller, Jr.
600 First National Bank Tower
Midland, Texas 79701

Ms. Margaret A. Carrico
406 Farley Trail
Austin, Texas 79701

Mr. E. B. White, Jr.
P. O. Box 2052
Midland, Texas 79702

Ms. Dorothy Jeanne Van Zant Sanders
508 Sinclair Building
Fort Worth, Texas 76102

Mr. Bill Seltzer
507 Petroleum Building
Midland, Texas 79701

David Fasken Estate
608 First National Bank Building
Midland, Texas 79701
Attention: Mr. Richard S. Brooks

Mr. Max Coll
P. O. Box EE
Santa Fe, New Mexico 87502

Mr. James Coll
P. O. Box 1818
Roswell, New Mexico 88201

Mr. Charles Coll
P. O. Box 1818
Roswell, New Mexico 88201

Mr. John Coll
P. O. Box 1818
Roswell, New Mexico 88201

4. Applicant should be designated the operator of the well and the proration unit.

5. To avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in said units the opportunity to recover or receive without unnecessary expense, its just and fair share of the oil and gas in said unit, all mineral interests, whatever they may be, from the surface to the base of the Strawn formation, underlying E/2 NE/4 Section 4 should be pooled as to such oil or gas proration units as may be established as productive.

6. That any non-consenting working interest owner that does not pay its share of estimated well costs should have withheld from production its share of the reasonable well costs, plus an additional 200% thereof as a reasonable charge for the risk involved in the drilling of the well.

7. Applicant should be authorized to withhold from production the proportionate share of a reasonable supervision charge for drilling and producing wells attributable to each non-consenting working interest owner.

8. The approval of this application will afford applicant the opportunity to produce its just and equitable share

of oil and gas, 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 protect 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 pooling all mineral interests, whatever they may be, as to the zones and proration units set forth above, or such lesser portion as may be productive of oil and gas and dedicated to applicant's well.

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

TXO PRODUCTION CORP.

By: *Chad Dickerson*
Chad Dickerson

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(505) 746-9841

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