7		•		Form C-103	1.2
TRIBUTION	<u> </u>			Supersedes O: C-102 and C-1	
. FE	NEW MEXIC	CO OIL CONSERVATION COMMI	SSION	Effective 1-1-6	-
FILE	1	(°ase	9237		
U.S.G.S.	11	Case	12-	5a. Indicate Type	
LAND OFFICE				State	Foe X
OPERATOR				5. State Oil & Gas	s Lease No.
		<u> </u>			
(DO NOT USE THIS FORM FO	NDRY NOTICES AND REPROPOSALS TO DRILL OF TO DE	FPEN OF PLUC BACK TO A DISESPENT ME	CSERVOIR.		
1. OIL . GAS .		-	,	7. Unit Agreement	Name
WELL WELL	OTHER- Dry Hol	e			
2. Name of Operator		-		8. Farm or Lease	Name
Mesa Petroleum Co				Hightower	
3. Address of Operator		-		9. Well No.	
304 Gihls Tower West.	, Midland, TX 7970	1		1	
4. Location of Well				10. Field and Pool	l, or Wildcat
UNIT LETTER A	7810 FEET FROM THE	North LINE AND 660	FEET FROM	W. Knowles	(Drinkard)
<u> </u>	7	LINE AND	FEET FROM		THITTIN.
THE East LINE. S	4	17S RANGE 371	Ε		
LINE, S	10WNS	RANGE	нмрм.		
	15. Elevation (Show whether DF, RT, GR, etc.)		12. County -	XXXXXXXXXXX
	11111111 - 3791 R	KB 3778 GR-		Lea	HHHHH
. f	<u> </u>	······································	·		<i></i>
		Indicate Nature of Notice,	-		
NOTICE OF	F INTENTION TO:		SUBSEQUENT	REPORT OF:	
		<u></u>	(1		
PERFORM REMEDIAL WORK	PEUG AND	ABAHDOH REMEDIAL WORK	닐	ALTERIN	G CASING
TEMPORARILY ABANDON		COMMENCE DRILLING O	PNS.	PLUG ANI	D ABANDONMENT [X]
PULL OR ALTER CASING	CHANGE PL	ANS CASING TEST AND CEMI	ENT JOB		
	_	DTHER		· · · · · · · · · · · · · · · · · · ·	
OTHER					
7 Describe Proposed or Complete	d Operations (Clearly state all	pertinent details, and give pertinent	datas inaludias a	sei-seed data of se	
work) SEE RULE 1103.	a operations (occurs) state at	perimena detaits, and give pertinent	dutes, the touring e	stimuted date of sit	arting any proposed
electric logs and dri permission from New M follows: 40 sx fr	ill stem tests, well Mexico Oil Conservat -om 8606'-8500' acro	,606' on 12-28-75. Rar I was determined to be tion Commission on 12-2 oss top of Lower Drinka	non-commerc 29-75, well	ial. After	obtaining
	om 8190'-8090' acro				
	rom 64406340! acro			•	
		oss top of San Andres			
		oss 8-5/8" shoe at 4190			
Sut 8-5/8" casing at	1,089' and pulled 2	28 jts and cutoff of 8 -	-5/8" 24# K-	55 ST&C. Sp	potted:
75 sx fr	om 1,227'-1,050' ac	ross 8-5/8" stub			
75 sx fr	om 425'- 325' ac	cross 13-3/8" shoe at 3	375 '		
	surface	-			
tud of 8.8 PPG (used	to drill well) was	spotted between all ce	ement pluas.	Installed	dry
hole marker. Pluggin			, -304		•
33	- ,				
				,	-
					_
		· .	•		
. I hereby certify that the informat	ion above is true and complete	to the best of my knowledge and beli	ief.		
A 1	1 1				
Marketh	P Monton	Division Engineer	•	12-31-	-75
SHED VALLEY	1 14 40 ADA	TITLE		DATE	
					t to the second
Y 3. 1	17.	man to the second to the secon			j
SHOVED BY	- Compile	TITLE		DATE	
ENDITIONS OF APPROVAL, IF A	NY: W	•			
XC: 1-JLF, 1	-LMC, 1-MEC, 3-NMOC	C, 14-Partners, 1-File	;		7
, -					

DST SUMMARY FOR THE HIGHTOWER NO. 1

DST #1 (6350'-6420') Paddock

10" pre flow, very weak blow and died - 90" ISIP - tool reopened for 1 hr with no blow. 4 hrs FSIP. Recovered 45' GDP + 15' drilling fluid with trace of oil. Sample chamber recovered no gas, 20 cc oil, 1,780 cc drilling fluid.

1HH 2916

10" Pre flow 80-80#

90" ISI 1150

60" FF 80-80#

240" FSI 737#

FHH 2916

DST #2 (8272'-8413') Drinkard

Opened on 10" pre flow with very weak blow, increased to fair (7" in bucket) SI for 90". Reopened on 60" FF with strong blow, and slowly increased to fair - had max of 6# on 1/4" choke. SI 240". Reversed out 4000' GIDP 45" G&OCDF (4000 ppm) Had 90' of G&OCDF on top of tools (4200 ppm) Sample chamber had 1 CFG + 1400 cc oil (400 API at 38° F) at 100 psi. IHH 3845
10" PF 106-106
90" ISI 2620
60" FF 118-131
240" FSI 2865
FHH 3871
BHT 136° F

HO. OF COPIES RECEIV								
								n C-105
DISTRIEUTION	1	_						rised 1-1-65
SANTA FE		NEW	MEXICO OIL	CONSERVATI	ON COMMISS	SION	l .	cate Type of Lease
FILE '		WELL COMPL	ETION OR F	RECOMPLETI	ON REPOR	RT AND LOG	,	eFee X
U.S.G.S.		_				•	5. State	Oil & Gas Lease No.
LAND OFFICE								
OPERATOR		_	•		,			
							77777	
a. TYPE OF WELL	_						7. Unit	Agreement Name
·	v	VELL GAS	L DRY	OTHER				
b. TYPE OF COMPLE	ORK T	PLU					8. Form	or Lease Name
		PEN BACI	DIFT.	OTHER			Hig	htower
•							9. Well	No. ·
Mesa Petrole Address of Operator	•	*:					1 1	
•		W: 41 1 TV	70701				ł	d and Pool, or Wildcat
904 Gihls To	wer west,	midland, ix	/9/01	 			W.	Knowles (Drinkard
ccdfidii of well								
Δ		810			((0			
NIT LETTERA	LOCATED	OIU FEET	FROM THEN	LINE AN	000	FEET FROM		
F	L	170	275		MM		12. Cour	
HE E LINE OF	SEC. T	TWP. 1/3 R	E. 3/E N	MPM	77777X7		Le	a ////////
							4 }	19. Elev. Cashinghead
12-5-75 3. Total Depth	12-28-	/5 P	& A 12-30	0-75 ultiple Compl., H	3778 G	R 3791	RKB	3778
8606 ¹	21. F	ridg Back 1.D.	42. II Mi	y	ow 23. In	tervals , Rota illed By ,	ry Tools	Cable Tools
4. Producing Interval(s) of this same	letten Ton Batta				→ ; A	11	1
4. Producing interval	s), or this comp	Tetron = Top, Botto.	n, Nume			•		25. Was Directional Survey Made
	÷.	· -	-					N-
5. Type Electric and (Other Logs Run						100	No No
DIL - SNP	other Logs nur						27	, Was Well Cored
			SINC DECORD	/D				No
3. CASING S17.5	WELCHT			(Report all string	T			
13-3/8	WEIGHT L		H SET	HOLE SIZE		MENTING REC		AMOUNT PULLED
8-5/8	24 E 3		375	17 1		Class C 29		1 0001
	24 6	71.	-		400 SX (Class C 29	6	1,0891
			1					
					1			
3		LINER RECORD			120		TUD 140 D	FCORD
	TOB	LINER RECORD	Teache cene		30.		TUBING R	
3. SIZE	ТОР		SACKS CEME	NT SCREEN			TUBING R	ECORD PACKER SET
	ТОР		SACKS CEME	NT SCREEN				
		воттом	SACKS CEME		1 \$1:	ZE DE	PTH SET	PACKER SET
SIZE		воттом	SACKS CEME	32.	ACID, SHOT	, FRACTURE,	PTH SET	PACKER SET SQUEEZE, ETC.
SIZE		воттом	SACKS CEME	32.	1 \$1:	, FRACTURE,	PTH SET	PACKER SET
SIZE		воттом	SACKS CEME	32.	ACID, SHOT	, FRACTURE,	PTH SET	PACKER SET SQUEEZE, ETC.
SIZE		воттом	SACKS CEME	32.	ACID, SHOT	, FRACTURE,	PTH SET	PACKER SET SQUEEZE, ETC.
		воттом	SACKS CEME	32.	ACID, SHOT	, FRACTURE,	PTH SET	PACKER SET SQUEEZE, ETC.
SIZE		воттом		32. DEPTH	ACID, SHOT	, FRACTURE,	PTH SET	PACKER SET SQUEEZE, ETC.
SIZE	(Interval, size a	воттом	Pi	32. DEPTH	ACID, SHOT	ZE DE	CEMENT	PACKER SET SQUEEZE, ETC.
SIZE	(Interval, size a	BOTTOM und number)	Pi	32. DEPTH	ACID, SHOT	ZE DE	CEMENT	SQUEEZE, ETC. KIND MATERIAL USED
SIZE	(Interval, size a	BOTTOM und number)	Prod'n. For	32. DEPTH	ACID, SHOT	T, FRACTURE,	CEMENT	SQUEEZE, ETC. KIND MATERIAL USED
SIZE 1. Perforation Record 2. 2. 2. 2. 2te First Production	(Interval, size o	BOTTOM and number) duction Method (Flo	Pi wing, gas lift, p	32. DEPTH RODUCTION Dumping — Size a	ACID, SHOT	T, FRACTURE,	CEMENT UNT AND	SQUEEZE, ETC. KIND MATERIAL USED
SIZE Perforation Record Exercise First Production Size of Test	(Interval, size o	duction Method (Flo	Piwing, gas lift, p Prod'n. For Test Period	32. DEPTH RODUCTION Dumping — Size a	ACID, SHOTH INTERVAL	T, FRACTURE,	CEMENT UNT AND Well Sto	SQUEEZE, ETC. KIND MATERIAL USED
SIZE Perforation Record Exercise First Production Size of Test	(Interval, size of	duction Method (Flo	Piwing, gas lift, p Prod'n. For Test Period	RODUCTION pumping — Size a	ACID, SHOTH INTERVAL	T, FRACTURE, AMO	CEMENT UNT AND Well Sto	PACKER SET SQUEEZE, ETC. KIND MATERIAL USED stus (Prod. or Shut-in) Gas—Oil Ratio
SIZE 1. Perforation Record 2. ate First Production 2. ate of Test 2. ate Tubing Press.	(Interval, size a	duction Method (Flo Choke Size Calculated 2-Hour Rate	Piwing, gas lift, p Prod'n. For Test Period	RODUCTION pumping — Size a	ACID, SHOTH INTERVAL	T, FRACTURE, AMOI	CEMENT UNT AND Well Sto	PACKER SET SQUEEZE, ETC. KIND MATERIAL USED atus (Prod. or Shut-in) Gas—Oil Ratio Oil Gravity — API (Corr.)
SIZE 1. Perforation Record 2. ate First Production 2. ate of Test 2. ate Tubing Press.	(Interval, size a	duction Method (Flo Choke Size Calculated 2-Hour Rate	Piwing, gas lift, p Prod'n. For Test Period	RODUCTION pumping — Size a	ACID, SHOTH INTERVAL	T, FRACTURE, AMOI	CEMENT UNT AND Well Sto	PACKER SET SQUEEZE, ETC. KIND MATERIAL USED atus (Prod. or Shut-in) Gas—Oil Ratio Oil Gravity — API (Corr.)
SIZE 1. Perforation Record 2. Ste First Production 2. Ste of Test 2. Sw Tubing Press. 3. Disposition of Gas (Pro Hours Tested Casing Press	duction Method (Flo Choke Size Calculated 2-Hour Rate	Piwing, gas lift, p Prod'n. For Test Period	RODUCTION pumping — Size a	ACID, SHOTH INTERVAL	T, FRACTURE, AMOI	CEMENT UNT AND Well Sto	PACKER SET SQUEEZE, ETC. KIND MATERIAL USED atus (Prod. or Shut-in) Gas—Oil Ratio Oil Gravity — API (Corr.)
SIZE . Perforation Record	Pro Hours Tested Casing Press	duction Method (Flo Choke Size Calculated 2-Hour Rate	Piwing, gas lift, p Prod'n. For Test Period	RODUCTION pumping — Size a	ACID, SHOTH INTERVAL	T, FRACTURE, AMOI	CEMENT UNT AND Well Sto	PACKER SET SQUEEZE, ETC. KIND MATERIAL USED atus (Prod. or Shut-in) Gas—Oil Ratio Oil Gravity — API (Corr.)

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or repended well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests connected, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall so be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on tate land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

	Southe	eastern New Mexico	Northwe	estem New Mexico
₹.	Anhy 2022	T. Canyon	T. Ojo Alamo	T. Penn. "B"
٦,	Salt	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
3.	Salt	T. · Atoka	T. Pictured Cliffs	T. Penn. "D"
٠.	Yates 3160	T. Miss	T. Cliff House	T. Leadville
7.	7 Rivers	T, Devonian	T. Menefee	T. Madison
7.	Queen	T. Silurian	T. Point Lookout	T. Elbert
-	Grayburg	T. Montoya	T. Mancos	T. McCracken
7.	San Andres 4838	T. Simpson	T. Gallup	T. Ignacio Qtzte
Ξ.	Glorieta 6270	T. McKee	Base Greenhorn	T. Granite
Ξ.	Paddock 6392	T. Ellenburger	T. Dakota	т
:. .	Blinebry	T. Gr. Wash	T. Morrison	T
٦.	Тирь 7978	T. Granite	T. Todilto	т
: .	Drinkard 8140	T. Delaware Sand	T. Entrada	т
7.	Abo	T. Bone Springs	T. Wingate	т
- <u>-</u>	Wolfcamp	T Drinkard B 8276		т.
-	Penn.	T:11 2020	T. Permian	Т
7	Cisco (Bough C)	T	T. Penn. "A"	т

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Pormation	From	То	Thickness in Feet	Formation
0	2022	2022	Surface sands, Redbed, & salt			-	
2022 3160 4838 6270 6392 7978 3140	4838 6270 6392	1138 1678 1432 122 1586 162 466	Anhy - salt Anhy - sand - salt Anhy - dolo Dolo - lime Lime - anhy Lime - shale Dolo - shale				
				-			•
			•				
	-						

Robinson Bros. Drilling Company 1000 Gihls Tower West Midland, Texas 79701

New Mexico Oil & Gas Commission P. O. Box 1980 Hobbs, New Mexico 88240

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We	submit	the	following	deviation	surveys	for	vour	information:
πe	BUTHITE	CITE	TOTTOMITIE	ACATO CTOM	Surveys	TOF	your.	THE ALMO CTAIL

Field Name	County_	<u> Lea</u>	State New Mexico
perator Mesa Petroleum Com	oany Address	P. O. Box 2009	City Amarillo, Texas
ease Name <u>Hightower</u>	Well Nol	Section 4	Township17-S
ange <u>37-E</u>			
Depth(feet) Inclinat 375 866 1337 1805 2118 2617 3087 3400 3617 4190 4673 4848 5332 6198 6420 6913 7110 7910 8413 8598	ion(degrees) 1/4 1/4 1/4 1/2 1 1 1/4 1 1/2 2 1/2 1 1/4 1 1/4 1 1/4 1 1/4 1 1/4 1 1/4 1 1/4 3/4 3/4 3/4 3/4	Displacement (f 1.64 2.14 4.11 8.17 5.46 10.89 12.30 13.65 4.73 12.50 10.54 3.82 10.56 15.11 3.87 8.60 4.30 10.47 6.58 2.42 Total Disp	Accumulative eet) Displacement (feet) 1.64 3.78 7.89 16.06 21.52 32.41 44.71 58.36 63.09 75.59 86.13 89.95 100.51 115.62 119.49 128.09 132.39 142.86 149.44 151.86
urvey was run in drill pi	pe.	_	,
ertification of Personal		ination Data:	
hereby certify that I ha	ve personal kn	owledge of the	data and facts on this complete.
		1	
,		C. M. Ande	rson, President
		ROBINSON B	ROS. DRILLING CO.
worn and Subscribed to me	this the 31st	day of December	19_75
y Commission expires 6-1-	-77 ·		
· ·		P. B. Zellmer, N Midland Coun	otary in and for ty, Texas

			Form C - 103
TRIBUTION		•	Supersedes Old C-102 and C-103
FE	NEW MEXICO OIL CON	SERVATION COMMISSION	Effective 1-1-65
FILE			
			5a. Indicate Type of Lease
U.S.G.S.			State Fee X
LAND OFFICE			
CPERATOR			5. State Oil & Gas Lease No.
SUNDR	Y NOTICES AND REPORTS ON	IWELLS	
(DO NOT USE THIS FORM FOR PRO	1 ITO FICED AND ILL OR 13 OF POSALS TO DRILL OR TO DEEPEN ON PLUGION FOR PERMIT -** (FORM C-101) FOR SU	BACK TO A DIFFERENT RESERVOIR.	
1.	TOW FOR FERMINE TO THE COUNTY FOR SU	LR PROPOSACS.	7, Unit Agreement Name
WELL X WELL	OTHER-		
1. Name of Operator		•	8. Farm or Lease Name
Mesa Petroleum Co.			Hightower
Mesa Petroleum Co. 3. Address of Operator			9. Well No.
904 Gihls Tower West,	Midland TV 79701		1
4. Location of Well	muland, IX /J/OI		10. Field and Pool, or Wildcat
	10 Namel	((0	
UNIT LETTER A O	10 FEET FROM THE North	LINE AND 660 FEET PRO	W. Knowles (Drinkard)
THE East LINE SECTION	4 TOWNSHIP 179	RANGE 37E	
	15. Elevation (Show whether	DF, RT, GR, etc.)	12, County
	3791 RKB	3778 GR	Lea
Check A	Appropriate Box To Indicate 1	Nature of Notice, Report or O	ther Data
NOTICE OF IN	TENTION TO:	SUBSEQUEN	T REPORT OF:
PERFORM REMEDIAL WORK	PLUG AND ABANDON	REMEDIAL WORK	ALTERING CASING
$\overline{}$. =
TEMPORARILY ABANDON		COMMENCE DRILLING OPHS.	PLUG AND ABANDONMENT
PULL OR ALTER CASING	CHANGE PLANS	CASING TEST AND CEMENT JOB	
		OTHER	
OTHER			
		<u> </u>	
	erations (Clearly state all pertinent det	ils, and give pertinent dates, including	g estimated date of starting any proposed
work) SEE RULE 1103.			
work) SEE RULE 1103.			
Spudded at 11:15 AM, 1	2-5-75. Drilled to 375'	with $17\frac{1}{2}$ " bit. Ran 9 j	its 13-3/8" 48#
Spudded at 11:15 AM, 1: (377.12) and set at 37.	2-5-75. Drilled to 375' 5'. Installed guide sho	with $17\frac{1}{2}$ bit. Ran 9 jet with 1 centralizer 10 e	its 13-3/8" 48# above shoe.
Spudded at 11:15 AM, 1: (377.12) and set at 37. Cemented with 400 sx C	2-5-75. Drilled to 375' 5'. Installed guide sho lass C 2% cc. PD at 6:3	with $17\frac{1}{2}$ " bit. Ran 9 jewith 1 centralizer 10 0 PM, 12-6-75 and circul	its 13-3/8" 48# above shoe. ate 25 sx cement.
Spudded at 11:15 AM, 1: (377.12) and set at 37 Cemented with 400 sx C WOC 24 hrs. Tested c	2-5-75. Drilled to 375' 5'. Installed guide sho lass C 2% cc. PD at 6:3 asing to 1000# for 30",	with $17\frac{1}{2}$ " bit. Ran 9 je with 1 centralizer 10 0 PM, 12-6-75 and circulheld okay. Drilled to $\frac{1}{2}$	its 13-3/8" 48# above shoe. ate 25 sx cement. 1190' with 11" bit,
Spudded at 11:15 AM, 1: (377.12) and set at 37. Cemented with 400 sx CWOC 24 hrs. Tested con 12-10-75. Ran 8-5/8"	2-5-75. Drilled to 375' 5'. Installed guide sho lass C 2% cc. PD at 6:3 asing to 1000# for 30", csg (2015.16' of 32# on	with $17\frac{1}{2}$ " bit. Ran 9] e with 1 centralizer 10 0 PM, 12-6-75 and circul held okay. Drilled to 4 bottom, 2194.58 of 24#	its 13-3/8" 48# above shoe. ate 25 sx cement. 190' with 11" bit, on top) total of
Spudded at 11:15 AM, 1: (377.12) and set at 37. Cemented with 400 sx C WOC 24 hrs. Tested co 12-10-75. Ran 8-5/8'' 4209.74'set at 4190'.	2-5-75. Drilled to 375' 5'. Installed guide sho lass C 2% cc. PD at 6:3 asing to 1000# for 30", csg (2015.16' of 32# on Installed guide shoe an	with $17\frac{1}{2}$ " bit. Ran 9] e with 1 centralizer 10 0 PM, 12-6-75 and circul held okay. Drilled to 4 bottom, 2194.58 of 24# d insert float. Install	its 13-3/8" 48# above shoe. ate 25 sx cement. a190' with 11" bit, on top) total of ed centralizers at
Spudded at 11:15 AM, 1: (377.12) and set at 37. Cemented with 400 sx C WOC 24 hrs. Tested c. 12-10-75. Ran 8-5/8" 4209.74 set at 4190'. mid shoe joint and top	2-5-75. Drilled to 375' 5'. Installed guide sho lass C 2% cc. PD at 6:3 asing to 1000# for 30", csg (2015.16' of 32# on Installed guide shoe an of joints 3 & 5. Cemen	with $17\frac{1}{2}$ " bit. Ran 9] e with 1 centralizer 10 0 PM, 12-6-75 and circul held okay. Drilled to 4 bottom, 2194.58' of 24# d insert float. Install ted with 400 sx Class C	its 13-3/8" 48# above shoe. ate 25 sx cement. a190' with 11" bit, on top) total of ed centralizers at
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XC: I-JLF, 1-MEC, 15-Partners, 3-NMOCC, 1-LMC

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-by certify that the information	n above is true and compl	ete to the best of my knp	wiedge and belief.		
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THEM MEXICO LIL CONSERVATION COMMISSION ABLE LOCATION AND ACREAGE DEDICATION PLAT

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TXO PRODUCTION CORP.

900 MILCO BUILDING

MIDLAND, TEXAS 79701

August 7, 1987

Hondo Oil and Gas Co. 105 W. 3rd, Suite 428 Roswell, NM 88201

Attn: Gene Wentworth

Re: Hightower #1 Re-entry NE/4 NE/4 Section 4, T-17-S, R-37-E, Lea County, New Mexico

Gentlemen:

As you know, TXO Production Corp. has proposed the re-entering and deepening of the above-referenced well to test the Strawn formation. An AFE was circulated along with my letter of June 30, 1987. To date we have not had a written response from you on this proposal.

The Operating Agreement dated September 10, 1985 to which you are a party, covered Lot 1 and the SE/4 NE/4 Section 4, T-17-S, R-37-E and this Operating Agreement is being perpetuated by the Pennzoil B. E. Shipp Estate #1 well located in the SW/4 NE/4 Section 4. As you know, Pennzoil circulated a letter dated April 16, 1986 requesting the reduction of the contract area in the Operating Agreement dated September 10, 1985 to one 80-acre tract consisting of Lot 2 and the SW/4 NE/4 Section 4. TXO did not agree to this reduction of the contract area and further maintains the Operating Agreement dated September 10, 1985 is in full force and effect as to all of Lots 1, 2, S/2 NE/4 Section 4. A copy of TXO's letter dated May 7, 1986 to Pennzoil is attached.

Therefore, pursuant to Article VII.B.1. of the Operating Agreement dated September 10, 1985, TXO hereby proposes the re-entering and deepening of the Hightower #1 to test the Strawn formation. Total depth is estimated at 11,400' and an AFE is attached for your review. In accordance with the Operating Agreement dated September 10, 1985, you have 30 days after receipt of this proposal in which to elect to participate or be a non-consenting party. If Pennzoil, as Operator under the Operating Agreement dated September 10, 1985, elects to be a non-consenting party, TXO requests the consenting parties designate TXO as Operator for the proposed operation.

The anticipated procedure for this operation will be to use a completion unit to test the feasibility of re-entering the Hightower #1, prior to moving in a rotary rig. If the Hightower #1 proves incapable of being re-entered we will then evaluate the possibility of drilling a new well to test the Strawn. A new well would require a new well proposal, AFE, etc.

Hondo Oil and Gas Co. August 7, 1987 Page Two

Thank you for your early attention to this proposal and please call if you have any questions regarding this letter.

Sincerely,

David M. Hundley District Landman

DMH/sf Enclosure ADDRESSEE LIST:

Shell Western E&P Inc. P. O. box 831 Houston, Texas 77001

Atlantic Richfield Company P. O. Box 1610 Midland, Texas 79702

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

Jeanne Van Zant Sanders Suite 508, Sinclair Building 106 W. Fifth Street Fort Worth, Texas 76102

J. R. McGinley, Jr. Lanroy, Inc. Cleroy, Inc. P. O. Box 3405 Tulsa, Oklahoma 74101

Sohio Petroleum Company Two Lincoln Centre 5420 LBJ Freeway Suite #1000/LB 03 Dallas, Texas 75240

Max W. Coll II, James N. Coll, Charles H. Coll and Jon F. Coll P. O. Box 1818 Roswell, New Mexico 88201

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

Harry A. Miller, III 2403 Ben White Blvd. Austin, Texas 78704

Margaret Ann Miller Carrico 406 Farley Trail Austin, Texas 78746

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

Barbara T. Fasken 300 W. Wall, Suite 1901 Midland, Texas 79701 E. B. White, Jr. P. O. Box 2052 Midland, Texas 79702

Spear Brothers Sheep and Cattle Co., a Limited Partnership P. O. Drawer 309 Hobbs, New Mexico 88240

TXO Production Corp. 900 Wilco Building Midland, Texas 79701

Apcot-Finadel Joint Venture P. O. Box 2990 Midland, Texas 79702

J. H. Van Zant, II 1730 Commerce Building 307 West 7th Fort Worth, Texas 76102

Black Bear Oil & Gas Corp. 505 N. Big Spring Suite 404 Midland, Texas 79701

Amerind Oil Company 500 Wilco Building Midland, Texas 79701

Pennzoil Company
P. O. Box 1828
Midland, Texas 79702

Sun Exploration and Production Co. Sun Tower Claydesta Plaza No. 24 Smith Road, Suite 600 Midland, Texas 79705

Coates Energy Trust and Elizabeth H. Maddux P. O. Box 171717 San Antonio, Texas 78217

Osborne Heirs Company P. O. Box 17968 San Antonio, Texas 78286

W. B. Osborne Oil and Gas Operations P. O. Box 8-C San Antonio, Texas 78286

THE RECEIPT	DOMESTIC				ERRY VIUL TTBE INTO 4 29
8. Addressee's Address (ONLY if requested and fee paid)	5. Signature - Addressee X 6. Signature HAgent	Express Mail Always obtain signature of addressee or agent and DATE DELIVERED	Type of Servi	3. Article Addressed to: Harry A. Miller, Jr., 600 First National Bank Bldg Midland, TX 79701	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 evailable. Consult postmaster for fees and check box(es) for service(s) requested. 1. Show to whom, date and address of delivery. 2. Restricted Delivery.
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	5. Signature - Agent	Always obtain signature of address@ 22 agent and	4. Type of Service: Article Number	3. Article Addressed to: E. B. White, Jr. P. O. Box 2052 Midland, TX 79702	SENDER: Complete items 1, 2, 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Fallure 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.
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8. Addresses's Address (ONLY if requested and fee paid)	5. Signature – Adoregados X Signature – Agent X	Express Mail COD F 139 220 742 Express Mail COD F 139 220 742 Always obtain signature of addressee or agent and DATE DELIVERED.	haured ,	3. Article Addressed to: Pennzoil Company P. O. Box 1828 Midland, TX 79701	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 postmatter for fees and check box(es) for service(s) requested. 1. Show to whom, date and address of delivery. 2. Restricted Delivery.

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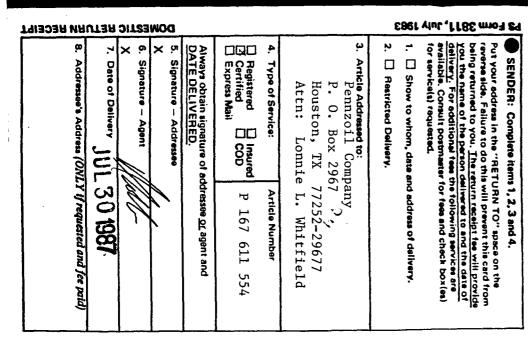
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	7. Wate of Deliker B. Addressee's Address (ONLY if requested and fee paid)		4. Type of Service: Article Number ☐ Registered ☐ Insured ☐ COD ☐ Express Mail Article Number P 139 228 842	3. Aricio Addressed to: Sohio Petroleum Co. Two Lincoln Centre * ? 5420 LBJ Freeway Suite #1000/LB03 Dallas, TX 75240	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.
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8. Addresses's Address (ONLY If requested and fee paid)	7. Date of Delivery	6. Signature – Apphil V	5. Signatury - Addressed X XXIII Den Bren	Always obtain signature of addressee or agent and DATE DELIVERED.	☐ Registered ☐ Insured ☑ Certified ☐ COD ☐ P 139 228 823 ☐ Express Mail	4. Type of Service: Article Number	Spear Brothers Sheep and Cattle Co., a Limited Partnership P. O. Drawer 309 Hobbs, New Mexico 88240	3. Article Addressed to:	2. Restricted Delivery.	1. Show to whom, date and eddress of delivery.	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 evallable. Comult postmaster for fees and check box feel for service(s) requested.

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Y if requested and fee paid		၀ <u>္</u> //	Always obtain signature of addressee or agent and DATE DELIVERED.	P 139 228 826	79701	200		SENDER: Complete items 1, 2, 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Fellure 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 postmester for fees and check box(es) for service(s) requested.
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TXO PRODUCTION CORP. 900 WILCO BUILDING MIDLAND, TEXAS 79701

October 9, 1987

14 1 1 2 L

915/682-7992

State of New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

THE CAMES SEED.

Attn: Mr. Michael E. Stogner

Re: OCD Case #9233

Application of TXO Production Corp.

for Compulsory Pooling and

Directional Drilling Lea County, New Mexico

Dear Mr. Stogner:

As you recall, the above referenced case was heard before you on October 7, 1987. During the presentation of this case you requested the Oil Conservation Division be furnished with copies of the correspondence between TXO Production Corp. and Mr. Bill Seltzer. As you will recall, Mr. Seltzer did not receive notice of this case and as such the OCD has elected to continue this case insofar as it covers the interest of Mr. Bill Seltzer.

Enclosed for your review and files is a copy of my letter dated October 6, 1987 to Mr. Bill Seltzer, along with the Certified Mail return receipt. We will continue to discuss this well proposal with Mr. Seltzer in hopes that a voluntary agreement can be reached in the near future. Should an agreement be reached between the two parties we will notify the OCD and Mr. Seltzer's counsel immediately.

Please give me a call should you have any questions regarding this letter or our efforts with Mr. Bill Seltzer. Thank you for your assistance and cooperation.

Sincerely,

David M. Hundley District Landman

DMH/sf Enclosure

cc: Mr. William F. Carr Campbell & Black P. O. Box 2208

Santa Fe, New Mexico 87504-2208

Mr. Chad Dickerson Dickerson, Fisk and Vandiver Mahone Office Park, Suite E 7th and Mahone Artesia, NM 88210

October 6, 1987

Mr. Bill Seltzer 507 Petroleum Bldg. Midland, TX 79701

Re: Well Proposal
Hightower #1 re-entry
E/2 NE/4 Section 4,
T-17-S, R-37-E,
Lea County, New Mexico

Dear Mr. Seltzer:

As discussed recently over the telephone, TXO Production Corp. hereby proposes the re-entering and deepening of the Hightower #1 well to test the Strawn formation. The dedicated tract for this well will be the E/2 NE/4 Section 4, T-17-S, R-37-E, and the total depth is estimated to be 11,400°.

The drilling procedure will encompass a re-entry operation of the existing wellbore which was a dry hole drilled to a depth of approximately 8,600°. From that point we will attempt to drill directionally in a northeast direction so that the bottom hole location will be at a legal location at the furtherest point to the north and east from the existing wellbore. We plan to use a workover unit to test the feasibility of re-entering the existing wellbore prior to moving in the rotary rig. It is hoped that this procedure will save money should the existing wellbore not be re-enterable.

Enclosed for your review is an Authority for Expenditure for the proposed operation. We will be forwarding an Operating Agreement to you for your consideration. In the event that you do not wish to participate, TXO would be willing to accept a farmout as to your interest in which you would deliver TXO a 75% net revenue lease with an option to convert any retained overriding royalty interest to a 1/3 working interest at payout of the well. TXO would also be willing to discuss a sale of your leasehold interest in this 80 acre tract.

Please give me a call should you have any questions regarding this proposal, etc. Instauch as this well is in a competitive position with surrounding acreage we would appreciate your early attention to this well proposal. Thank you for your assistance and cooperation.

Sincerely,

David M. Hundley District Landman

DMH/sf Enclosure TXO PRODUCTION CORP. FORM 24 Rev. 10/85

AUTHORITY FOR EXPENDITURE DRILLING WELL TYPE AND OUTSIDE OPERATED

Date	9-10-87
D 410	Directions

		- IX	0 AIID 00			Directional
DISTRICT West Texas	WE	II NAME	Hightow	er	WELL NO	1 Re-entry
OPERATED BY TXO	LOCATION	Sec 4,	T-17-S,	R-37-E		DEPTH 11,400'
FIELD Humble City	(Strawn)		COUNTY	Lea	_ STATE _N	New Mexico
PREPARED BY - Gary T	ravis_SUBMITTE	D BY		DALLAS	DISTRICT	
	a de de			WMM.		
EVPENDITURE DESC	PIPTION	OHANTITY		DESCRIPTION		EST. COST

	1 EU BY		507 0007
EXPENDITURE DESCRIPTION	QUANTITY	DESCRIPTION	EST. COST
DRILLING			12 000
urface & Intermediate Casing	1100'	8 5/8" w/11 3/4" patch, inspec/trkg	12,000
asinghead		csg head, spool, slips, assmy, tst	5,000
ocation Work		svv, stake, loc, road, dmgs, cellar	8,000
ootage/Turnkey Driling			
aywork Drilling	20 days	\$4000/day to 11,400'	80,000
lig Support	2 days	MI & RU, RD & MO	8,000
lits		12½" rental, 2-7 7/8" mill & journal	
Supervision	16 davs	professional services	4,000
Orilling Overhead		•	
Aud & Chemicais		mud, chem, wtr, trkg	20,000
Cementing Services & Supplies C1 "C" 2% (CC 150 sx	cmtg, centr, float equip, sppls	5,000
esting & Logging			
Rentals		forklift & misc, motors & steer tool	16,000
Other IDC toolman & whipstock		csg crew, pit lining, welder	8,000
Other Equipment labor & trkg	1	mill, impression block, csg patch	7,500
egal		permits	300
Non-Operated Intangible Drilling		Definites	
TOTAL DRILLING			180,000
COMPLETION		T	100.000
Production Casing	11.400	5½" 17# N-80 LT&C, inspec, trkg	103,200
Tubing .	11,300'	2 7/8" 6.5# N-80 EUE, inspec, trkg	49,800
	11,300		4,000
Wellhead Equipment fittings Subsurface Equipment		upper run, slips, spool, valves	
Supervision	- 	subs. SN & pkr	3,000 1,000
Mud & Chemicals	4 days		
Testing, Logging & Perforating		KCL wtr. chem & trkg	2,000
Stimulation	2222	temp log. GR/CCL, perforation	4,000
	3000 ga	sacid job, spot & ball-out	5,000
Completion Overnead			
Rentals		BOP, forklift, TT, pkr, racks, etc.	3,500
Service Ria		workover unit. crew. swb cups. OSR	5,000
Cementing Services & Supplies		50/50 poz "H" w/centr & float equip	
Other Completion IDC welder, csg cr	ev	fence, anchors, labor, clean-up	5.000
Non-Operated Intangible Completion			
TOTAL COMPLETION			193,500
PRODUCTION EQUIPMENT			
Pumping Unit/Submersible Pump		640 pump unit w/C B & pad	35,000
Engine & Motor		econopac w/panel	5,000
Pocs			20,000
Flow Lines		line pipe, valves & fittings .	2,500
Meters		meter & meter run & electrical	5,000
Installation/Overnead		labor & trkg	4,000
Storage		2/500 w/walk & stairs	12,000
Separation & Treating		separator & HT w/dumps & valves	8,000
Other Equipment		coating, supplies, circ pump	4,000
TOTAL PRODUCTION EQUIPMENT			95,500

OWNER'S NAME AND ADDRESS INTEREST DATE APPROVED: (this space for approval only)
(New Addresses Only) (7 Decimals) APPROVED

Company No.	AFE Type No.
	Property No.
Aco NomelO	

P 139 239 235

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL

(See Reverse)

Bill Seltzer Street and No. 507 Petroleum Bldg.		
30, 20020		
P.O., State and ZIP Code Midland, TX 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	\$	
Postmark or Date		
21		

	1 The state of the	
SENDER: Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested. 1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery 1(Extra charge)1		
3. Article Addressed to:	4. Article Number P 139 239 235	
• 507 Petroleum Bldg. Midland, TX 79701	Type of Service: ☐ Registered ☐ Insured ☐ Cortified ☐ COD ☐ Express Mail	
	Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .	
5. Signature – Addréssee X	8. Addressee's Address (ONLY if requested and fee paid)	
6. Signature - Agent X	590	
7. Date of Delivery		
00 Earns 2011 May 1007		

BEFORE THE

OCT 6 1987

OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF TXO PRODUCTION CORPORATION FOR COMPULSORY POOLING AND DIRECTIONAL DRILLING, LEA COUNTY, NEW MEXICO.

CASE NO. 9233

ENTRY OF APPEARANCE

COMES NOW CAMPBELL & BLACK, P.A., and hereby enters its appearance in the above-referenced case on behalf of Amerind Oil Company.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

WILLIAM F CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

(505) 988-4421

ATTORNEYS FOR AMERIND OIL COMPANY

1

RECEIVED

OIL CONSERVATION DIVISION

OCT 6 1987

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF TXO PRODUCTION CORPORATION FOR COMPULSORY POOLING AND DIRECTIONAL DRILLING, LEA COUNTY, NEW MEXICO.

CASE NO. 9233

ENTRY OF APPEARANCE

COMES NOW CAMPBELL & BLACK, P.A., and hereby enters its appearance in the above-referenced case on behalf of Bill Seltzer.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

(505) 988-4421

ATTORNEYS FOR BILL SELTZER

October 29, 1987

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. Michael E. Stogner

NOV - 2 1987
OIL CONSERVATION DAYS OF

Re (OCD Case #9233

Application of TXO Production Corp. for Compulsory Pooling and Directional Drilling

Lea County, New Mexico

Dear Mr. Stogner:

As you know the above referenced case was heard before you on October 7, 1987, and has been continued until November 4, 1987 insofar as the case covers the interest of Mr. Bill Seltzer and Mr. Mark Hannifin. During the presentation of our evidence and testimony regarding this case you requested that TXO and the other parties make a genuine effort to reach a mutually satisfactory trade to obtain to obtain voluntary pooling of the opposing parties.

Attached please find copies of TXO's correspondence with Amerind Oil Company, Mr. Bill Seltzer, Pennzoil Company and Mr. Mark Hannifin. Pennzoil Company has chosen to accept our most recent offer and has forwarded a Farmout Agreement to TXO for review and execution. Please note in the attached letters that our most recent offer is an additional increase of the back-in percentage offered to the parties. Unfortunately, only Pennzoil has chosen to accept our most recent increased offer.

We request that you place these letters in the case file so that they may be reviewed again when you are in the process of preparing the compulsory pooling order. Thank you again for your assistance and cooperation and please call me should you have any questions regarding this letter, etc.

Sincerely,

David M. Hundley District Landman

DMH/sf Enclosure

cc: Mr. Chad Dickerson
Dickerson, Fisk and Vandiver
Mahone Office Park, Suite E
7th and Mahone
Artesia, NM 88210

October 20, 1987

Mr. Bill Seltzer 507 Petroleum Bldg. Midland, TX 79701

CERTIFIED MAIL

Re: Well Proposal and
Farmout Request
Hightower #1 Re-entry
E/2 NE/4 Section 4,
T-17-S, R-37-E

Lea County, New Mexico

Dear Mr. Seltzer:

As discussed in my previous letter of October 6, 1987, TXO wishes to drill the above referenced well in Lea County, New Mexico as an 11,400' Strawn test. As you know, TXO's application for compulsory pooling with respect to this well was heard by the OCD in Santa Fe, New Mexico on October 7, 1987.

In the interest of drilling this well as soon as possible, TXO Production Corp. wishes to increase its offer to you with a farmout of your interest under this well. As you know, in our letter of October 6, 1987 we offered a 1/3 back-in at payout should you wish to farmout your interest thereunder. This letter is to advise you of TXO's willingness to increase the back-in offer to 40% at payout of the well.

Please give me a call should you have any questions regarding this proposal, etc. Once again we request your early attention to our offer and thank you for your assistance and cooperation.

Sincerely,

David M. Hundle

District Landman

October 20, 1987

Amerind Oil Company 500 Wilco Bldg. Midland, TX 79701

CERTIFIED MAIL

Re: Revised Farmout Offer Hightower #1 Re-Entry E/2 NE/4 Section 4, T-17-S, R-37-E, Lea County, New Mexico

Gentlemen:

As you know, TXO Production Corp. is in the process of attempting to drill the above referenced well in Lea County, New Mexico. As you are well aware, a compulsory pooling case was heard for this well by the OCD on October 7, 1987.

In our testimony in front of the OCD we stated that TXO had offered Amerind Oil Company the opportunity to farmout its leasehold interest to TXO, delivering a 75% net revenue lease with an option to convert any retained overriding royalty interest into a 1/3 working interest at payout of the well. This letter is to advise Amerind Oil Company of the willingness of TXO to increase the back-in percentage from 1/3 to 40% at payout. It is hoped that this increased offer will allow the parties to reach a voluntary agreement and avoid the necessity of a compulsory pooling order.

Please give me a call should you have any questions regarding our revised offer. Once again we thank you for your early attention to this offer and shall look forward to hearing from you in the near future.

Sincerely,

District Landman

October 20, 1987

Mr. Mark Hannifin P. O. Box 11182 Midland, TX 79702

CERTIFIED MAIL

Re: Well Proposal and
Farmout Request
Hightower #1 Re-entry
E/2 NE/4 Section 4,
T-17-S, R-37-E
Lea County, New Mexico

Dear Mark:

As discussed in my previous letter of October 6, 1987, TXO wishes to drill the above referenced well in Lea County, New Mexico as an 11,400' Strawn test. As you know, TXO's application for compulsory pooling with respect to this well was heard by the OCD in Santa Fe, New Mexico on October 7, 1987.

In the interest of drilling this well as soon as possible, TXO Production Corp. wishes to increase its offer to you with a farmout of your interest under this well. As you know, in our letter of October 6, 1987 we offered a 1/3 back-in at payout should you wish to farmout your interest thereunder. This letter is to advise you of TXO's willingness to increase the back-in offer to 40% at payout of the well.

Please give me a call should you have any questions regarding this proposal, etc. Once again we request your early attention to our offer and thank you for your assistance and cooperation.

Sincerely,

David M. Hundley District Landman

October 20, 1987

Pennzoil Company
P. O. Box 2967
Houston, TX 77252-2967

Attn: Mr. Lonnie Whitfield

CERTIFIED MAIL

Re: Revised Farmout Offer
Hightower #1 Re-Entry
E/2 NE/4 Section 4,
T-17-S, R-37-E,
Lea County, New Mexico

Gentlemen:

As you know, TXO Production Corp. is in the process of attempting to drill the above referenced well in Lea County, New Mexico. As you are well aware, a compulsory pooling case was heard for this well by the OCD on October 7, 1987.

In our testimony in front of the OCD we stated that TXO had offered Pennzoil Company the opportunity to farmout its leasehold interest to TXO, delivering a 75% net revenue lease with an option to convert any retained overriding royalty interest into a 1/3 working interest at payout of the well. This letter is to advise Pennzoil Company of the willingness of TXO to increase the back-in percentage from 1/3 to 40% at payout. It is hoped that this increased offer will allow the parties to reach a voluntary agreement and avoid the necessity of a compulsory pooling order.

Please give me a call should you have any questions regarding our revised offer. Once again we thank you for your early attention to this offer and shall look forward to hearing from you in the near future.

Sincerely,

David M. Hundley

District Landman

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL

	(See Reverse)	
	Sent to Rill Seltzer Street and \$197 Petroleum	Bldg.
	PO. State and ZIP Code TX 79	9701
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	Special Delivery Fee	
	Restricted Delivery Fee	
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5. Signature – Addressee		8. Addressee's Address (ONLY if requested and fee paid)
	<u> </u>	Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
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507 Petroleum Bldg	•	Registered Insured
Bill Seltzer		Type of Service:
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RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL (See Reverse)

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P 689 307 496

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL (See Reverse)

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Pennzoil Company P. O. Box 2967 . ~ Houston, TX 77252-2967	P 689 307 496 Type of Service: ☐ Registered ☐ Insured ☑ Certified ☐ COD ☐ Express Mail
Attn: Lonnie Whitfield	Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature – Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery	·
PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268	DOMESTIC RETURN RECEIP

October 29, 1987

Amerind Oil Company 500 Wilco Bldg. Midland, TX 79701

CERTIFIED MAIL

Re: Hightower #1 Re-entry E/2 NE/4 Section 4, T-17-S, R-37-E, Lea County, New Mexico

Gentlemen:

As recently discussed over the telephone, Pennzoil Company has agreed to farmout its leasehold interest under the above referenced tract to TXO, pursuant to the term offered in our letter of October 20, 1987. You received an identical letter under the same date regarding this trade.

This letter is to advise you of the continued willingness of TXO to make an identical trade with you as to your leasehold interest in this tract. As I am sure you aware, the compulsory pooling case for this well (OCD Case #9233) was continued as to the interest of certain parties and is scheduled on the November 4, 1987 OCD docket.

We would appreciate your early attention to this matter and please do not hesitate to call me should you have any questions regarding our proposal or our plans for this well, etc.

Sincerely,

David M. Hundley District Landman

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Always obtain signature of addressee or agent and DATE DELIVERED.	·
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October 29, 1987

Mr. Bill Seltzer 507 Petroleum Bldg. Midland, TX 79701

CERTIFIED MAIL

Re: Hightower #1 Re-entry E/2 NE/4 Section 4, T-17-S, R-37-E, Lea County, New Mexico

Dear Mr. Seltzer:

As recently discussed over the telephone, Pennzoil Company has agreed to farmout its leasehold interest under the above referenced tract to TXO, pursuant to the term offered in our letter of October 20, 1987. You received an identical letter under the same date regarding this trade.

This letter is to advise you of the continued willingness of TXO to make an identical trade with you as to your leasehold interest in this tract. As I am sure you aware, the compulsory pooling case for this well (OCD Case #9233) was continued as to the interest of certain parties and is scheduled on the November 4, 1987 OCD docket.

We would appreciate your early attention to this matter and please do not hesitate to call me should you have any questions regarding our proposal or our plans for this well, etc.

Sincerely,

David M. Hundley District Landman

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SENDER: Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested. 1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery t(Extra charge)?							
3. Article Addressed to: Mr. Bill Seltzer 507 Petroleum Bldg. Midland, TX 79701	4. Article Number P 689 307 493 Type of Service: Registered Insured Certified COD Express Mail						
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October 29, 1987

Mr. Mark A. Hannifin P. O. Box 11182 Midland, TX 79702

CERTIFIED MAIL

Re: Hightower #1 Re-entry E/2 NE/4 Section 4, T-17-S, R-37-E, Lea County, New Mexico

Dear Mark:

As recently discussed over the telephone, Pennzoil Company has agreed to farmout its leasehold interest under the above referenced tract to TXO, pursuant to the term offered in our letter of October 20, 1987. You received an identical letter under the same date regarding this trade.

This letter is to advise you of the continued willingness of TXO to make an identical trade with you as to your leasehold interest in this tract. As I am sure you aware, the compulsory pooling case for this well (OCD Case #9233) was continued as to the interest of certain parties and is scheduled on the November 4, 1987 OCD docket.

We would appreciate your early attention to this matter and please do not hesitate to call me should you have any questions regarding our proposal or our plans for this well, etc.

Sincerely,

David M. Hundley District Landman

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 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 additional service(s) requested. 2. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery †(Extra charge)† 3. Article Addressed to: 4. Article Number							
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Midland, TX 79702	Registered Insured						
	Express Mail						
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	E E		the right			<i>"</i>						S	02			

NOV - 6 1987

TXO PRODUCTION CORP 900 WILCO BUILDING MIDLAND, TEXAS 79701 915/682-7992

November 2, 1987

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe. NM 87501

Attn: Mr. Michael E. Stogner

Re: OCD Case #9233

Application of TXO Production Corp. for Compulsory Pooling and Directional Drilling Lea County, New Mexico

Dear Mr. Stogner:

As you know, the above referenced case was heard before you on October 7, 1987, in which TXO Production Corp.'s application was opposed by Amerind Oil Company and Mr. Bill Seltzer. The case was continued until the November 4, 1987 docket insofar as the interest of Mr. Bill Seltzer and Mr. Mark Hannifin was concerned, because TXO had failed to properly notify Messrs. Seltzer and Hannifin.

This letter is to advise you that a mutually acceptable agreement has been reached between TXO and Pennzoil Company, Amerind Oil Company, Mr. Bill Seltzer and Mr. Mark Hannifin. These parties have agreed to farmout their leasehold interest to TXO. Therefore, we request that the OCD remove Amerind Oil Company, Pennzoil Company, Mr. Bill Seltzer and Mr. Mark Hannifin from the list of those parties whose interest TXO Production Corp. wishes to pool. By copy of this letter, we will be advising these parties of our request to remove their names from the proceedings in OCD Case #9233.

Several parties who were notified of TXO's application pursuant to the OCD rules and who chose not to appear to protest the application of TXO Production Corp. have still not agreed to participate or farmout under the terms offered. Consequently, we will still require an order from the OCD in order to proceed with the drilling of the proposed well. Inasmuch as those parties who have protested our application have made a trade with TXO and those parties who have not made a trade with TXO did not protest the application of TXO Production Corp., we respectfully request that the OCD issue the requested Order at its earliest convenience.

We wish to thank you for your assistance and cooperation and please call me should you have any questions regarding this case, etc.

Sincerely,

David M. Hundley District Landman

DMH/sf

cc: Mr. Chad Dickerson
Dickerson, Fisk & Vandiver
Mahone Office Park
7th and Mahone
Artesia, NM 88210

Mr. William F. Carr Campbell & Black P. O. Box 2208 Santa Fe, NM 87504-2208

Mr. Bill Seltzer 507 Petroleum Bldg. Midland, TX 79701

Mr. Mark A. Hannifin P. O. Box 11182 Midland, TX 79702

Amerind Oil Company 500 Wilco Bldg. Midland, TX 79702

Pennzoil Company
P. O. Box 2967
Houston, TX 77252-2967
Attn: Mr. Lonnie Whitfield

TELEPHONE NUMBER: (918) 585-5853

J. R. McGINLEY, JR.

TULSA OKLAHOMA 74103

January 20, 1988

JAN 2 5 1983

SURFER OF STREET

MAILING ADDRESS: P. O. BOX 3405 TULSA, QK. 74101

Itogner.

TXO Production Corp. 900 Wilco Building Midland, Texas 79701

RE: NMOCD Case No. 9233 Order No. R-8570

Hightower # 1 Re-entry
Lot 1 and the SE/4 NE/4
Section 4-T17S-R37E
Lea County, New Mexico

Gentlemen:

Pursuant to the terms of the captioned Compulsory Pooling Order, J.R. McGinley, Jr. as record owner of a 1/48 undivided mineral interest hereby elects to participate in the re-entry and deepening of the Hightower # 1.

Enclosed are three checks to TXO each in the amount of \$3,263.00 which total \$9,789.00 based on a 1/48 interest in the estimated well costs of \$469,800.00 as called for in the order.

Yours truly,

J.R. McGinley, Jr.

JRM, III/jap

Enclosures

cc: State of New Mexico

Oil Conservation Division

March 8, 1988

Case 9233

SEE ADDRESSEE LIST ATTACHED

VIA: Certified Mail

RE: Hightower "A" #1 Well 571' FNL and 554' FEL Section 4, T-17-S. R-37-E Lea County, New Mexico

Gentlemen:

TXO Production Corp. is planning on spudding the above captioned well on or before March 15, 1988, in accordance with various Farmout Agreements. We are affording you the opportunity of participating by Joint Operating Agreement. farming out, joining as per the force pooling order, or leasing to TXO. I have enclosed a Joint Operating Agreement, along with the AFE for the Hightower "A" #1 well. This well will still have the same bottomhole location, but with a new legal location of 571' FNL and 554' FEL, Section 4, T-17-S, R-37-E, Lea County, New Mexico. If you should have any objections about this location, please call

On the second page of this letter various options are stated. Please send a copy of this letter in the enclosed self-addressed stamped envelope with the option chosen or contact me no later than March 14, 1988. I realize that this is short notice, however, we do have farmout obligations that must be met.

Your earliest consideration is greatly appreciated.

Very Truly Yours, Carol Mr. Didge

Carol M. Sledge

CMS/lac **Enclosures**

Vcc: New Mexico Oil Conservation Division

P. O. Box 2088

Santa Fe. New Mexico 87501

ATTN: Michael Stogner

Hightower "A" #1 Well Page 2

PARTICIPATE BY JOA (please enclose a copy if different than the one enclosed)	
FARMOUT TO TXO (please send a proposed agreement)	
*JOIN AS PER THE FORCE POOLING ORDER #R-8570 (please enclose your \$ portion of the AFE)	
EXECUTE AN Oil & GAS LEASE WITH TXO (please send your proposed terms)	
*If you have sent in money on the prior Highto	wer #1, please indicate.
BY:	
TITLE:	
COMPANY:	
DATE:	

ADDRESSEE LIST - HIGHTOWER "A" #1 WELL

To All Force Pooled Interests:

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

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

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

J. R. McGinley, Jr. P. O. Box 3405
Tulsa, Oklahoma 74101

Spear Brothers Sheep and Cattle Co. P. O. Drawer 309 Hobbs, New Mexico 88240

Sun Exploration and Production Co. P. O. Box 2880 Dallas, Texas 75221-2880