

STEPHENSON, CARPENTER, CROUT & OLMSTED

Attorneys at Law

Bokum Building, 142 W. Palace Avenue

Post Office Box 669

Santa Fe, New Mexico 87504-0669

Telephone (505) 982-4611

Telecopier (505) 988-2987

*Donnan Stephenson
Of Counsel*

*Richard N. Carpenter
G. Stanley Crout
Charles D. Olmsted
Michael R. Comeau
Larry D. Maldegen
Sunny J. Nizon
William P. Templeman
C. Mott Woolley
Jon J. Indall
Stephen J. Lauer
Michael S. Yesley
Lindsay A. Lovejoy, Jr.
Patricia J. Turner
Thomas C. H. Mills
Joseph E. Manges*

February 29, 1984

Mr. Joe D. Ramey, Director
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Application of TXO Production Corp. to Drill Test Well in
Lea County, New Mexico; Sec. 16, T20S, R32E

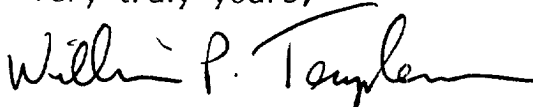
Dear Mr. Ramey:

Noranda Exploration, Inc., wishes to register its opposition and protest to the application of TXO Production Corp. to drill a test well at the above referenced location in Lea County, New Mexico. Noranda Exploration, Inc., is the owner of potash leases on lands in Lea County which include the proposed drill site.

Noranda Exploration, Inc., received a letter from TXO Production Corp., a copy of which is attached hereto, which indicates that an application for permit to drill will be filed with the New Mexico Oil Conservation Division. I have not been able to confirm that such an application has been filed. Therefore, the protest of Noranda Exploration, Inc., which is submitted with this letter does not have a case number identified. Please note that Noranda Exploration, Inc., requests arbitration of this matter pursuant to the provisions of NMOCD Order R-111-A.

Please notify me if and when there are proceedings involving TXO Production Corporation's application.

Very truly yours,



William P. Templeman

WPT/jh

cc: Randy Click, Area Landman, TXO Production Corp.
Jerry Sexton, Oil Conservation Division, District 1
Frank Condon
James Brewer