

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 8783 DE NOVO
Order No. R-8136-B

APPLICATION OF TXO PRODUCTION
CORPORATION FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 20, 1986, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 21st day of August, 1986, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, TXO Production Corporation, seeks an order pooling all mineral interests in all formations from 4,825 feet beneath the surface to the base of the Bone Spring formation underlying the SE/4 NW/4 (Unit F) of Section 26, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico.

(3) The matter came on for hearing at 8:15 a.m. on January 22, 1986, at Santa Fe, New Mexico, before Oil Conservation Division Examiner Michael E. Stogner and, pursuant to his hearing, Order No. R-8136 was issued on January 22, 1986, which granted the application.

(4) On February 19, 1986, application for Hearing De Novo was made by Joseph Sprinkle and the matter was set for hearing before the Commission.

(5) On February 26, 1986, Order No. R-8136-A was entered staying said Order No. R-8136.

-2-

Case No. 8783 De Novo
Order No. R-8136-B

(6) The matter came on for hearing de novo on May 20, 1986.

(7) At the time of the hearing, Sprinkle's interest in the unit had been sold to another owner.

(8) Such new owner and TXO have agreed to reinstatement of Order No. R-8136 with provisions for a new participation election date of June 4, 1986 and a new date by which to begin the drilling of the well on the pooled unit of October 7, 1986.

(9) An order consistent with the above findings should be entered.

IT IS THEREFORE ORDERED THAT:

(1) Division Order No. R-8136-A staying Order No. R-8136 is hereby rescinded.

(2) All parties subject to the pooling provisions of Division Order No. R-8136 shall have until June 4, 1986, to make their election as to whether or not to participate in the drilling of the well.

(3) The operator of the well, subject to Division Order No. R-8136, is hereby granted an extension of time until October 7, 1986, in which to begin the drilling of such well.

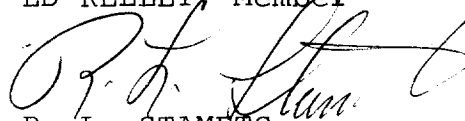
(4) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JIM BACA, Member


ED KELLEY, Member


R. L. STAMETS,
Chairman and Secretary

S E A L