

TXO PRODUCTION CORP.

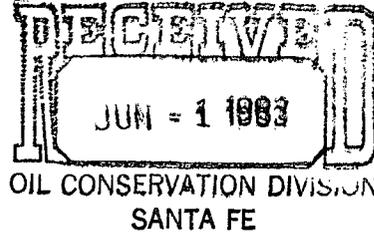
900 WILCO BUILDING

MIDLAND, TEXAS 79701

May 25, 1983

*NSL 1707
Rule 104 F
Morrow fm
6-21-83*

*See next page
for location*



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

Re: TXO Production Corp.
Yates Federal #5 Well
Eddy County, New Mexico

Dear Mr. Ramey:

Please find enclosed for filing, two (2) copies of the Application of TXO Production Corp. for administrative approval for an unorthodox gas well location in Eddy County, New Mexico.

If for any reason you have any questions, please do not hesitate to contact me at the above address or by calling 915/682-7992.

Very truly yours,

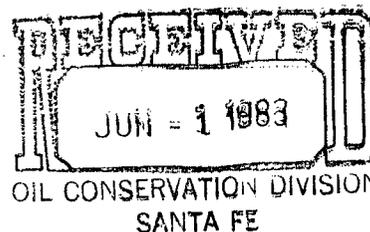
A large, stylized handwritten signature in black ink, appearing to read "Randy Click".

RANDY CLICK
Landman

RC/lr
Enclosures

TEXAS OIL & GAS CORP.

900 WILCO BUILDING
MIDLAND, TEXAS 79701



May 19, 1983

New Mexico Oil Conservation Dept.
P.O. Box 2088
Santa Fe, New Mexico 87501

Attn: Richard L. Stamets

Re: Application for Unorthodox Location for
TXO #5 Yates Federal
990' FSL & 1980' FWL
Section 17, T-20-S, R-29-E
Eddy County, New Mexico

Gentlemen:

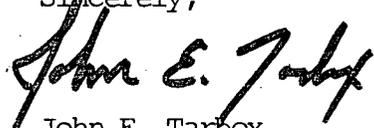
The TXO #5 Yates Federal is a proposed Upper Morrow test to be located approximately twelve miles northeast of Carlsbad, within the Burton Flat, East (Morrow) Pool, in Eddy County, New Mexico.

The primary objectives of the TXO #5 Yates Federal are Morrow sands (Pennsylvanian), which stratigraphically trap production. The Morrow in this area occurs as north-northwest to south-southeast trending channels. Production is locally controlled via degree of sand development.

The TXO #5 Yates Federal is located between two key wells. The TXO #3 Yates Federal, located 2550 feet north-northwest of the proposed location, encountered not Morrow sand totaling 66 feet. The Upper Morrow has produced 2276 MMCFG + 11,387 BC to date and is currently flowing 15 MCFGPD with a flowing tubing pressure of 110 psi. The Yates #1 Stebbins "GQ" Com., located 2100 feet south-southeast of the proposed location, encountered a total of 54 feet of net Morrow sand. The Morrow in this well has produced 1958 MMCFG + 9442 BC to date.

The #3 Yates Federal is currently non-commercial and pending plugging and abandonment. Reservoir engineering has indicated that the acreage immediately surrounding this well has been severely depleted. The recommended location will encounter the highest reservoir pressure and will most effectively drain the reservoir, thus preventing waste. If TXO Production Corp. were to drill the #5 Yates Federal at an orthodox location, however, it would have little or no chance of encountering oil or gas in this reservoir in quantities sufficient to pay the cost of drilling and operating the well with a reasonable profit. It is therefore recommended that TXO Production Corp. be granted an unorthodox location of 990' FSL & 1980' FWL, Section 17, T-20-S, R-29-E, Eddy County, New Mexico, for the TXO #5 Yates Federal.

Sincerely,


John E. Tarbox
Geologist

JET/cc

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
TXO PRODUCTION CORP. FOR ADMINIS- :
TRATIVE APPROVAL OF AN UNORTHODOX GAS : CASE NO. _____
WELL LOCATION, EDDY COUNTY, NEW MEXICO :
_____ :

APPLICATION

COMES NOW TXO Production Corp., and respectfully states:

1. Applicant is the Operator of the Morrow Formation, underlying:

Township-20-South, Range-29-East, N.M.P.M.

Section 17: W/2

containing 320 acres, more or less,

and proposes to drill its Yates Federal #5 Well at a point located 990 feet from the south line and 1980 feet from the west line of Section 17.

2. The applicant seeks an exception to the well location requirements of Rule 104-C.II(a) of the Oil Conservation Division to permit the drilling of the well at the above-mentioned unorthodox location to a depth sufficient to adequately test the Morrow Formation.

3. This Application for Administrative Approval is accompanied by plats, showing the ownership of all leases offsetting the proration or spacing unit for which the unorthodox location is sought, and also all wells completed thereon, and by appropriate geologic maps, cross-sections, and/or logs, and a discussion of the geologic conditions which result in the necessity for the unorthodox location, all of which are attached hereto as Exhibit "A".

4. A standard 320-acre gas proration unit comprising the W/2 of said Section 17 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of gas.

5. All operators of proration or spacing units offsetting the unit for which the unorthodox location is sought have been notified of the application by certified or registered mail.

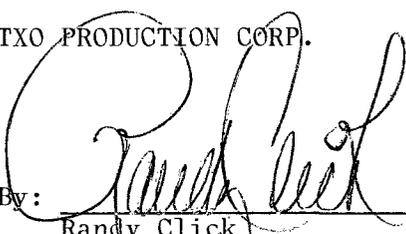
6. The approval of this application will afford applicant the opportunity to produce its just and equitable share of gas, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

A. That upon hearing the Division enter its order granting applicant permission to drill its Yates Federal #5 Well at a point 990 feet from the south line and 1980 feet from the west line of said Section 17, and to dedicate the W/2 of Section 17, which is reasonably presumed to be productive of gas from the Morrow Formation to said well.

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

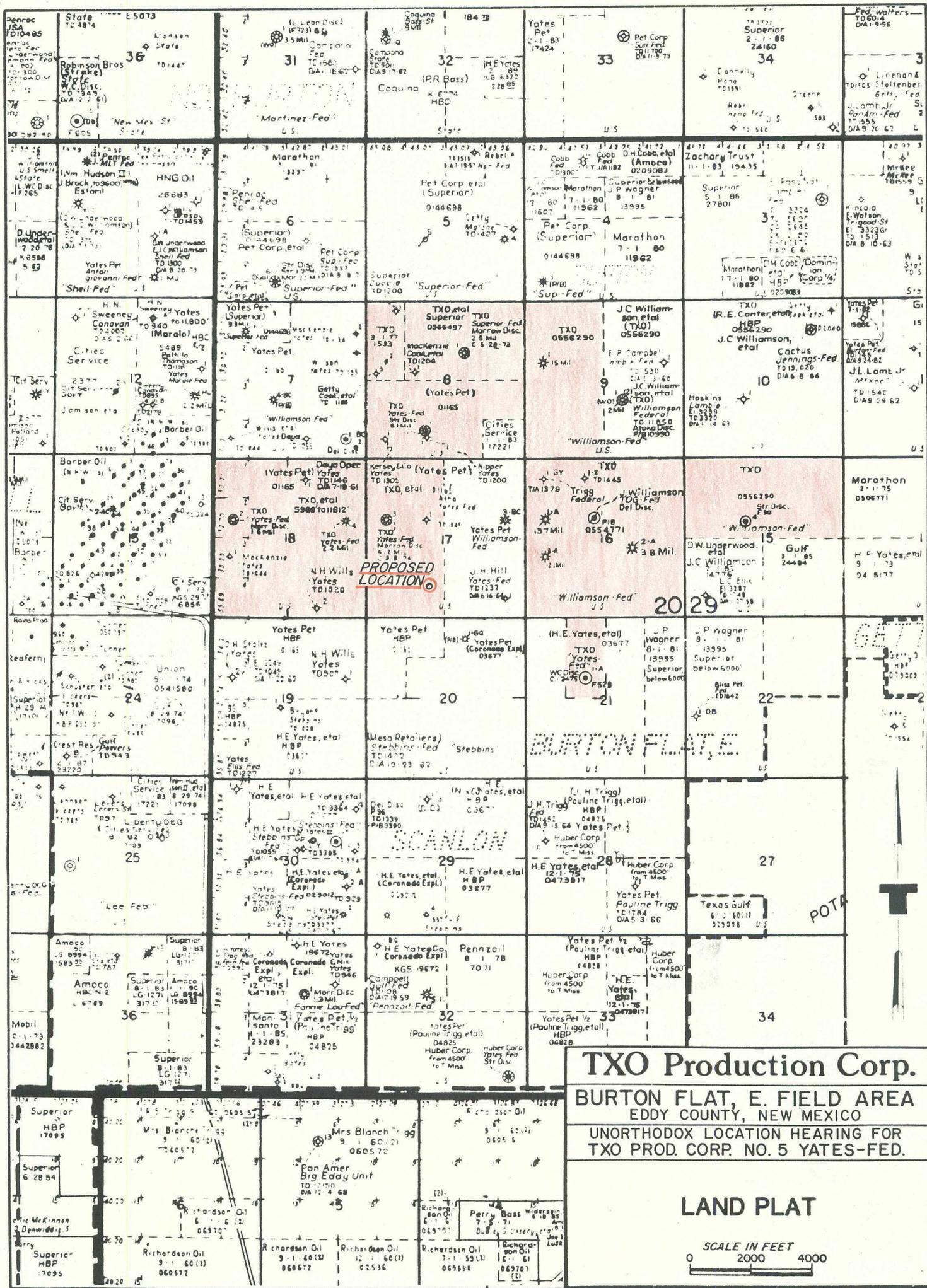
TXO PRODUCTION CORP.

By: 

Randy Click

TXO PRODUCTION CORP.
900 Wilco Building
Midland, Texas 79701

Landman for Applicant

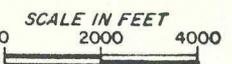


TXO Production Corp.

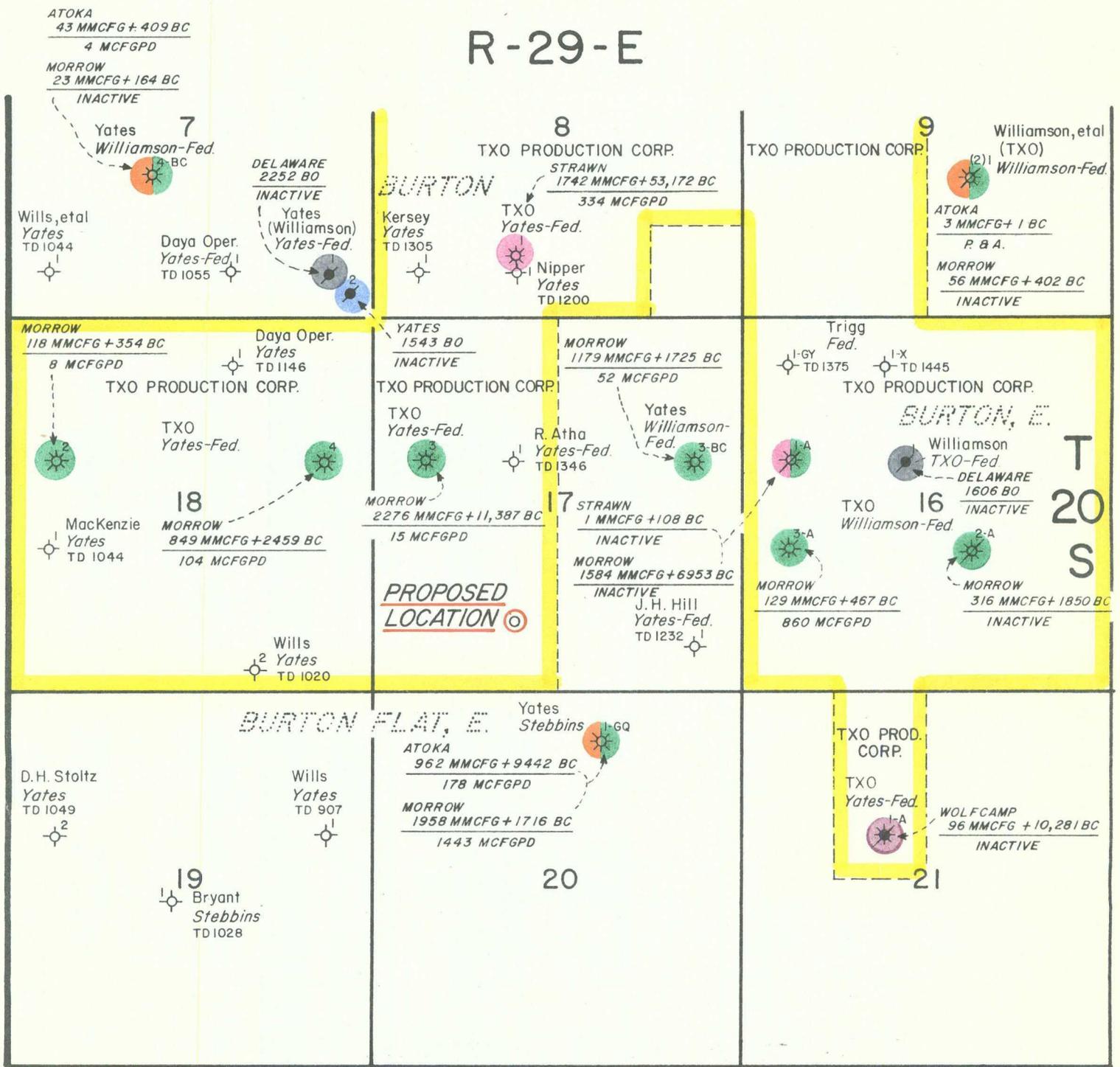
**BURTON FLAT, E. FIELD AREA
EDDY COUNTY, NEW MEXICO**

**UNORTHODOX LOCATION HEARING FOR
TXO PROD. CORP. NO. 5 YATES-FED.**

LAND PLAT



R-29-E



TXO Production Corp.

BURTON FLAT, E. FIELD AREA
EDDY COUNTY, NEW MEXICO

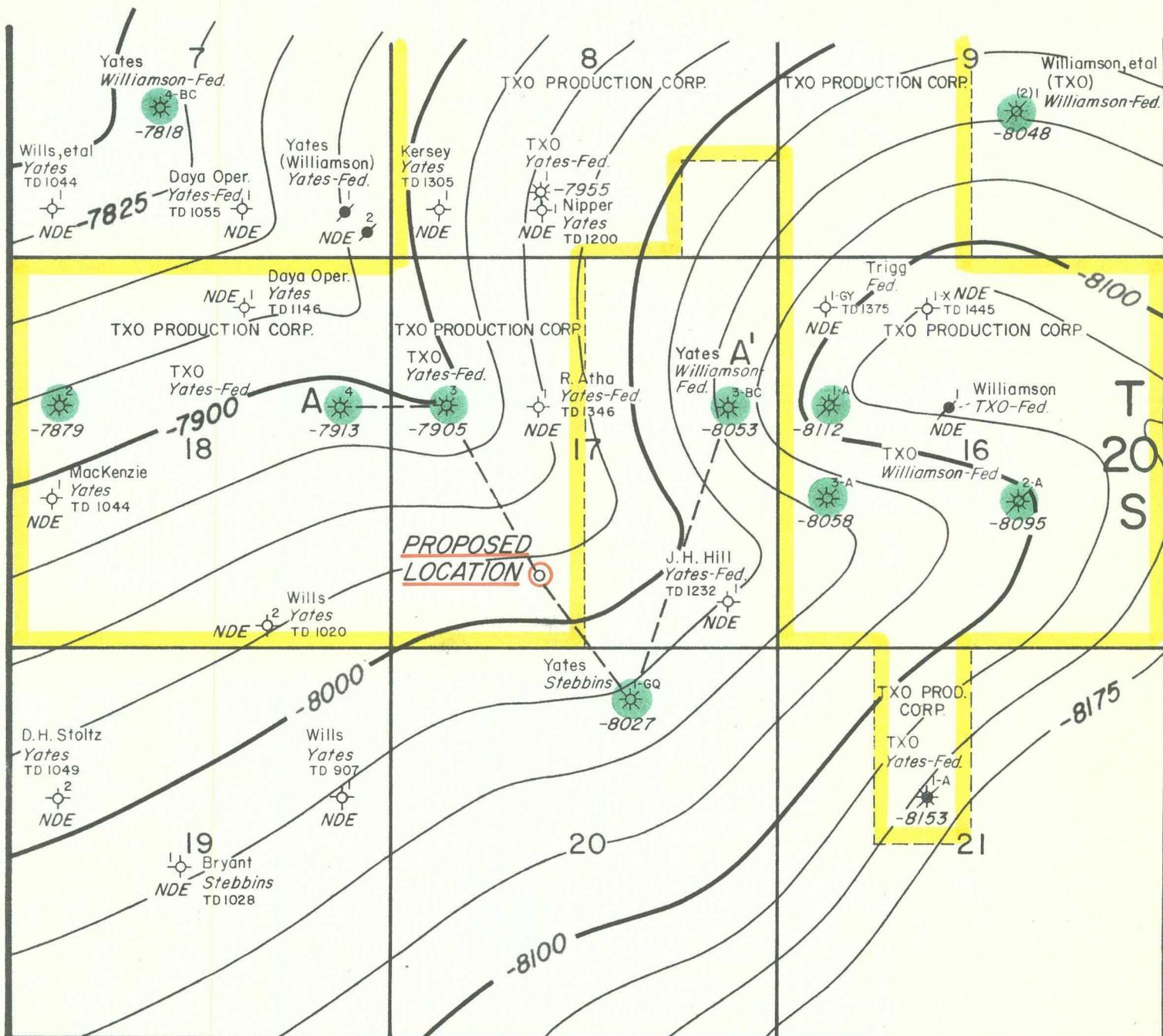
UNORTHODOX LOCATION HEARING FOR
TXO PROD. CORP. NO. 5 YATES-FED.

PRODUCTION MAP

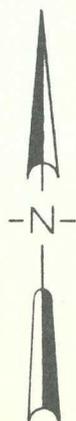
J. E. Tarbox

Scale: 1"=2000'

R-29-E



 MORROW WELL



TXO Production Corp.

BURTON FLAT, E. FIELD AREA
EDDY COUNTY, NEW MEXICO

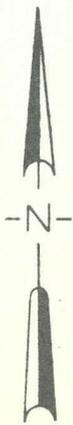
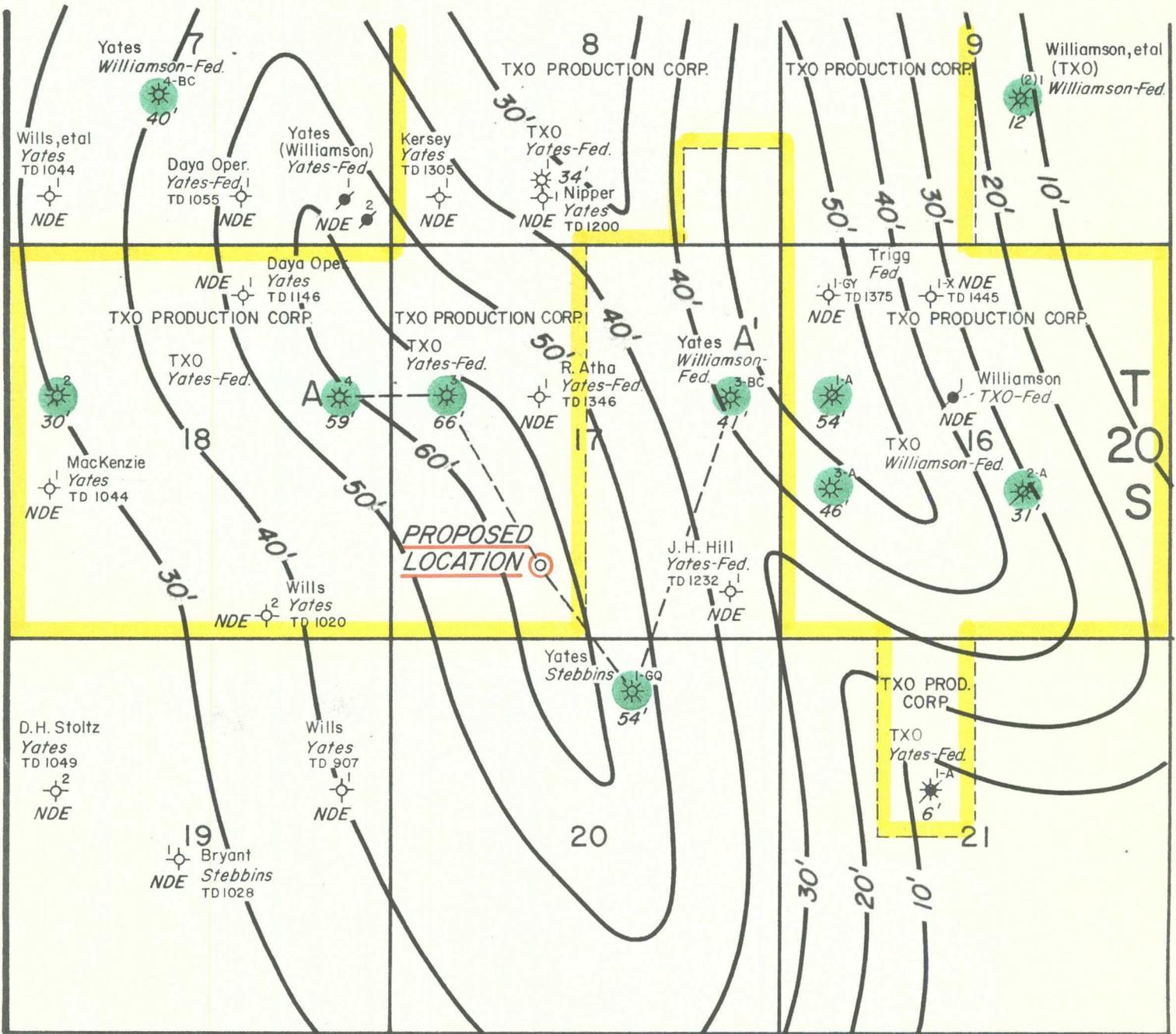
UNORTHODOX LOCATION HEARING FOR
TXO PROD. CORP. NO. 5 YATES-FED.

STRUCTURE MAP

TOP UPPER MORROW FM.

C.I. = 25'

R-29-E



 MORROW WELL

TXO Production Corp.

BURTON FLAT, E. FIELD AREA
EDDY COUNTY, NEW MEXICO

UNORTHODOX LOCATION HEARING FOR
TXO PROD. CORP. NO. 5 YATES-FED.

ISOPACH MAP
UPPER MORROW
NET CLEAN SAND
C.I. = 10'

J. E. Tarbox

Scale: 1"=2000'

TXO PRODUCTION CORP.
900 WILCO BUILDING
MIDLAND, TEXAS 79701



April 26, 1983

Yates Petroleum Corp.
207 South 4th Street
Artesia, New Mexico 88210

Att: Land Manager

Re: Application for Unorthodox
Drilling Permit
Exception to Rule 104 C.II(a)
Yates Federal #5 Well
W/2 Section 17, T-20-S, R-29-E,
Eddy County, New Mexico

Gentlemen:

TXO Production Corp., hereinafter referred to as "TXO", plans to drill the Yates Federal #5 Well at a location 990' FSL and 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. This well is planned as a Morrow Test. Since the State Field Rules specify 660' to the nearest side boundary, and 1980' to the nearest end boundary, the proposed location will require an exception to the well location requirements of Rule 104 C.II(a).

TXO wishes to drill at this location because we believe that it is necessary if we are to recover oil and gas reserves underlying our operating rights in the leases. We are also convinced that the distance from the proposed location to other producing wells is sufficient to ensure no harmful effect on other producers.

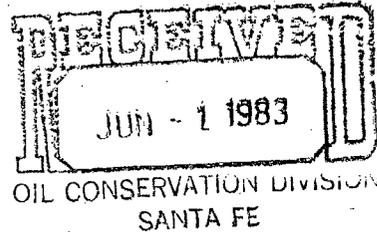
If you have no objection to this location, please date and execute the attached Waivers of Objection and return two executed copies in the self-addressed stamped envelope, which has been provided for your convenience. A third copy is for your files.

In the event you have any questions, please do not hesitate to contact me at 915/682-7992.

Very truly yours,

RANDY CLICK
Landman

RC/1s
Enclosures
Certified Mail/RRR



New Mexico Oil Conservation Department
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Drilling Permit
Exception to Rule 104 C.II(a)
W/2 Section 17, T-20-S, R-29-E,
Eddy County, New Mexico
TXO Production Corp. proposed
Yates Federal #5 Well

Gentlemen:

Yates Petroleum Corp., as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow Test well at a location 990' FSL and 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Yates Petroleum Corp. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

YATES PETROLEUM CORP.

By: _____

Title: _____

Date: _____

PS Form 3800, Apr. 1976

P 220 609 197
RECEIPT FOR CERTIFIED MAIL

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

SENT TO		Yates Petroleum Corp.
STREET AND NO.		207 South 4th Street
PO, STATE AND ZIP CODE		Artesia, NM 88210
POSTAGE		\$
CERTIFIED FEE		\$
SPECIAL DELIVERY		
RESTRICTED DELIVERY		
SHOW TO WHOM AND DATE DELIVERED		
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY		
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		
TOTAL POSTAGE AND FEES		\$
POSTMARK OR DATE		4/27/83

PS Form 3811, Jan. 1979

697-006-6461 : GPO ★

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
 Show to whom and date delivered.
 Show to whom, date and address of delivery.
 RESTRICTED DELIVERY
 RESTRICTED DELIVERY.
 Show to whom and date delivered.
 Show to whom, date, and address of delivery.

2. ARTICLE ADDRESSED TO:
 Yates Petroleum Corp.
 207 South 4th Street
 Artesia, NM 88210

3. ARTICLE DESCRIPTION:
 REGISTERED NO. P220609197 INSURED NO.
 (Always obtain signature of addressee or agent)
 I have received the article described above.
 SIGNATURE *[Signature]* Addressee Authorized agent
 DATE OF DELIVERY 4-28-83

5. ADDRESS (Complete only if requested)

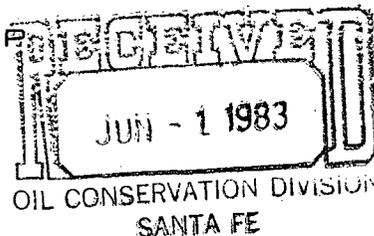
POSTMARK

CLERK'S INITIALS *[Initials]*

9. REASON FOR DELIVERY BECAUSE:

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

TXO PRODUCTION CORP.
900 WILCO BUILDING
MIDLAND, TEXAS 79701



April 27, 1983

Great Western Drilling
509 North Lorraine
Midland, Texas 79701

Att: Land Manager

Re: Application for Unorthodox
Drilling Permit
Exception to Rule 104 C.II(a)
Yates Federal #5 Well
W/2 Section 17, T-20-S, R-29-E,
Eddy County, New Mexico

Gentlemen:

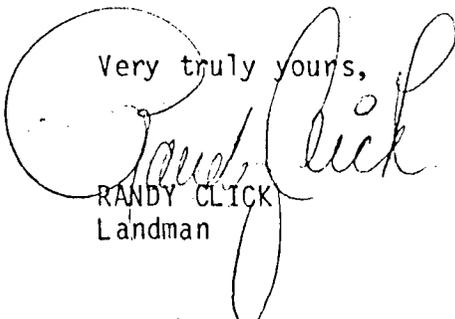
TXO Production Corp., hereinafter referred to as "TXO", plans to drill the Yates Federal #5 Well at a location 990' FSL and 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. This well is planned as a Morrow Test. Since the State Field Rules specify 660' to the nearest side boundary, and 1980' to the nearest end boundary, the proposed location will require an exception to the well location requirements of Rule 104 C.II(a).

TXO wishes to drill at this location because we believe that it is necessary if we are to recover oil and gas reserves underlying our operating rights in the leases. We are also convinced that the distance from the proposed location to other producing wells is sufficient to ensure no harmful effect on other producers.

If you have no objection to this location, please date and execute the attached Waivers of Objection and return two executed copies in the self-addressed stamped envelope, which has been provided for your convenience. A third copy is for your files.

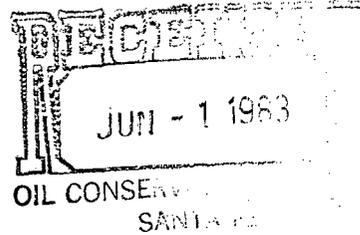
In the event you have any questions, please do not hesitate to contact me at 915/682-7992.

Very truly yours,



RANDY CLICK
Landman

RC/1s
Enclosures
Certified Mail/RRR



New Mexico Oil Conservation Department
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Drilling Permit
Exception to Rule 104 C.II(a)
W/2 Section 17, T-20-S, R-29-E,
Eddy County, New Mexico
TXO Production Corp. proposed
Yates Federal #5 Well

Gentlemen:

Great Western Drilling, as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow Test well at a location 990' FSL and 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Great Western Drilling has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

GREAT WESTERN DRILLING

By: _____

Title: _____

Date: _____

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
 MY Show to whom and date delivered.
 Show to whom, date and address of delivery.
 RESTRICTED DELIVERY
 Show to whom and date delivered.
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery, \$ _____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Great Western Drilling
 509 North Lorraine
 Midland, TX 79701

3. ARTICLE DESCRIPTION: REGISTERED NO. P220609198 CERTIFIED NO. _____ INSURED NO. _____

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE Addressee Authorized agent
[Signature]

4. DATE OF DELIVERY _____ **POSTMARK** AM 5/18/83

5. ADDRESS (Complete only if requested) _____

6. UNABLE TO DELIVER BECAUSE: UNDELIVERABLE UNRECOGNIZED UNRECOGNIZED INITIALS *[Signature]*

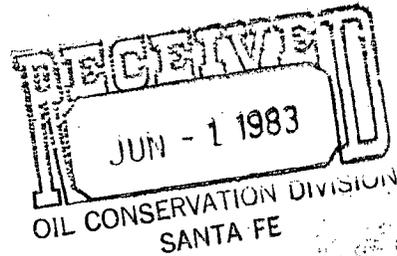
P 220 609 198

RECEIPT FOR CERTIFIED MAIL

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

SENT TO	Great Western Drilling		
STREET AND NO.	509 North Lorraine		
P.O. STATE AND ZIP CODE	Midland, TX 79701		
POSTAGE	\$		
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	\$	
	SPECIAL DELIVERY	\$	
OPTIONAL SERVICES	RESTRICTED DELIVERY	\$	
	SHOW TO WHOM AND DATE DELIVERED	\$	
	SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	\$	
RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	\$	
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	\$	
TOTAL POSTAGE AND FEES	\$		
POSTMARK OR DATE	4/27/83		

May 13, 1983



Holly Energy, Inc.
201 Permian Building
Midland, Texas 79701

Re: Application for Unorthodox
Drilling Permit Exception
to Rule 104, C. II (a), Yates
Federal #5 Well, W/2 of
Section 17, T-20-S, R-29-E,
Eddy County, New Mexico

Gentlemen:

TXO Production Corp., hereinafter referred to as TXO, plans to drill the Yates Federal #5 Well at a location 990' FSL & 1900' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. This well is planned as a Morrow test. Since the state field rules specify 660' to the nearest side boundary, and 1900' to the nearest end boundary, the proposed location will require an exception to the well location requirements of Rule 104 C. II (a).

TXO wishes to drill at this location, because we feel that it is necessary if we are to recover oil and gas reserves underlying our operating rights in the lease. We are also convinced that the distance from the proposed location to other producing wells is sufficient to insure no harmful effect on other producers.

If you have no objection to this location, please date and execute the attached waivers of objection and return two executed copies in the self addressed, stamped envelope, which has been provided for your convenience. A third copy is for your files.

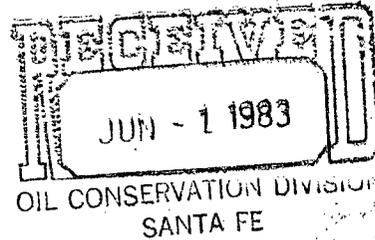
In the event you have any questions, please do not hesitate to contact me at the above address or by calling 915/662-7992.

Very truly yours,

Randy Click
Landman

RC/dp
Enclosures

New Mexico Oil Conservation Department
P. O. Box 2088
Santa Fe, New Mexico 87501



Re: Application for Unorthodox
Drilling Permit Exception
104 C. II (a), W/2 of
Section 17, T-20-S, R-29-E,
Eddy County, New Mexico
TXO Production Corp. proposed
Yates Federal #5 Well

Gentlemen:

Holly Energy, Inc., as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow test well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Holly Energy, Inc. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

HOLLY ENERGY, INC.

By: _____

Title: _____

Date: _____

P05 5701052

RECEIPT FOR CERTIFIED MAIL

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

PS Form 3800, Apr. 1976

SENT TO		Holoy Energy, Inc.
STREET AND NO.		201 Permian Building
P.O. STATE AND ZIP CODE		Midland, Texas
POSTAGE		\$
CONSULT POSTMASTER FOR FEES		
OPTIONAL SERVICES		
RETURN RECEIPT SERVICE		
SPECIAL DELIVERY		c
RESTRICTED DELIVERY		c
SHOW TO WHOM AND DATE DELIVERED		d
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY		e
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		f
TOTAL POSTAGE AND FEES		
		\$
POSTMARK OR DATE		
May 13, 1983		

Yates Federal #5 Well, Eddy Co., NM

PS Form 3811, Jan. 1978

1. The following service is requested (check one)

- Show to whom and date delivered.....
- Show to whom, date and address of delivery.....
- RESTRICTED DELIVERY
- Show to whom and date delivered.....
- RESTRICTED DELIVERY.
- Show to whom, date, and address of delivery. \$

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Holly Energy, Inc.
201 Permian Building
Midland, Texas 79701

3. ARTICLE DESCRIPTION: _____ INSURED NO. _____
REGISTERED NO. 5701052 CERTIFIED NO. _____

(Always obtain signature of addressee or agent)

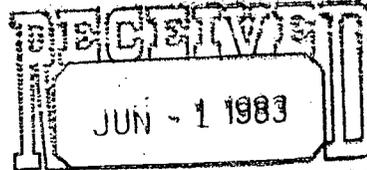
I have received the article described above.
SIGNATURE C. Wallace Addressee Authorized agent

4. DATE OF DELIVERY _____ POSTMARK _____

5. ADDRESS (Complete only if requested) _____

6. UNABLE TO DELIVER BECAUSE: _____ CLERK'S INITIALS _____

☆ GPO : 1979-288-848



May 13, 1983 OIL CONSERVATION DIVISION
SANTA FE

Cibola Energy Corp.
P. O. Box 1668
Albuquerque, New Mexico 87103

Re: Application for Unorthodox
Drilling Permit Exception
to Rule 104, C. II (a), Yates
Federal #5 Well, W/2 of
Section 17, T-20-S, R-29-E,
Eddy County, New Mexico

Gentlemen:

TXO Production Corp., hereinafter referred to as TXO, plans to drill the Yates Federal #5 Well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. This well is planned as a Morrow test. Since the state field rules specify 660' to the nearest side boundary, and 1980' to the nearest end boundary, the proposed location will require an exception to the well location requirements of Rule 104 C. II (a).

TXO wishes to drill at this location, because we feel that it is necessary if we are to recover oil and gas reserves underlying our operating rights in the lease. We are also convinced that the distance from the proposed location to other producing wells is sufficient to insure no harmful effect on other producers.

If you have no objection to this location, please date and execute the attached waivers of objection and return two executed copies in the self addressed, stamped envelope, which has been provided for your convenience. A third copy is for your files.

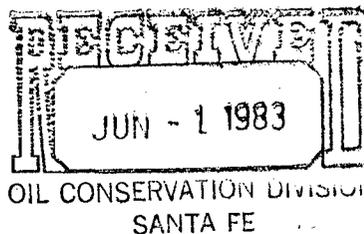
In the event you have any questions, please do not hesitate to contact me at the above address or by calling 915/682-7992.

Very truly yours,

Randy Click
Landman

RC/dp
Enclosures

New Mexico Oil Conservation Department
P. O. Box 2088
Santa Fe, New Mexico 87501



Re: Application for Unorthodox
Drilling Permit Exception
104 C. II (a), W/2 of
Section 17, T-20-S, R-29-E,
Eddy County, New Mexico
TXO Production Corp. proposed
Yates Federal #5 Well

Gentlemen:

Cibola Energy Corp., as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow test well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Cibola Energy Corp. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

CIBOLA ENERGY CORP.

By: _____

Title: _____

Date: _____

P05 5701053

RECEIPT FOR CERTIFIED MAIL

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

SENT Cibola Energy Corp.
 STREET ADDRESS NO. Box 1668
 P.O. STATE AND ZIP CODE
 Albuq. NM 87103

POSTAGE	\$
CERTIFIED FEE	c
SPECIAL DELIVERY	c
RESTRICTED DELIVERY	c
OPTIONAL SERVICES	c
RETURN RECEIPT SERVICE	c
SHOW TO WHOM AND DATE DELIVERED	c
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	c
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	c
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	c
TOTAL POSTAGE AND FEES	\$
POSTMARK OR DATE	May 13, 1983

PS Form 3800, Apr. 1976

Yates Federal #5 Well, Eddy Co., NM

PS Form 3811, Jan. 1979

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
 Show to whom and date delivered. c
 Show to whom, date and address of delivery. c
 RESTRICTED DELIVERY
 Show to whom and date delivered. c
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Cibola Energy Corp.
 P. O. Box 1668
 Albuq. NM 87103

3. ARTICLE DESCRIPTION: REGISTERED NO. 5701053 CERTIFIED NO. INSURED NO.
 (Always obtain signature of addressee or agent)
 I have received the article described above.
 SIGNATURE Addressee Authorized agent
 DATE OF DELIVERY *Elyse Well Yates* POSTMARK
 ADDRESS (Complete only if requested)

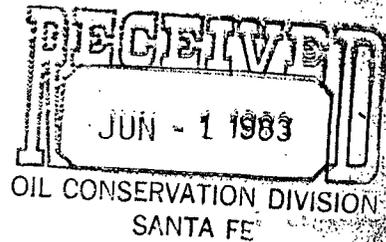
5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

GPO : 1979-288-848

May 13, 1983



Coquina Oil Corporation
P. O. Drawer 2960
Midland, Texas 79702

Re: Application for Unorthodox
Drilling Permit Exception
to Rule 104, C. II (a), Yates
Federal #5 Well, W/2 of
Section 17, T-20-S, R-29-E,
Eddy County, New Mexico

Gentlemen:

TXO Production Corp., hereinafter referred to as TXO, plans to drill the Yates Federal #5 Well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. This well is planned as a Morrow test. Since the state field rules specify 660' to the nearest side boundary, and 1980' to the nearest end boundary, the proposed location will require an exception to the well location requirements of Rule 104 C. II (a).

TXO wishes to drill at this location, because we feel that it is necessary if we are to recover oil and gas reserves underlying our operating rights in the lease. We are also convinced that the distance from the proposed location to other producing wells is sufficient to insure no harmful effect on other producers.

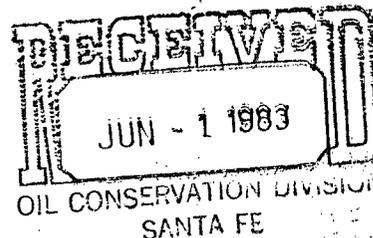
If you have no objection to this location, please date and execute the attached waivers of objection and return two executed copies in the self addressed, stamped envelope, which has been provided for your convenience. A third copy is for your files.

In the event you have any questions, please do not hesitate to contact me at the above address or by calling 915/682-7992.

Very truly yours,

Randy Click
Landman

RC/dp
Enclosures



New Mexico Oil Conservation Department
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Drilling Permit Exception
104 C. II (a), W/2 of
Section 17, T-20-S, R-29-E,
Eddy County, New Mexico
TXO Production Corp. proposed
Yates Federal #5 Well

Gentlemen:

Coquina Oil Corporation, as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow test well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Coquina Oil Corporation has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

COQUINA OIL CORPORATION

By: _____

Title: _____

Date: _____

Yates Federal #5 Well, Eddy Co., NM

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
 Show to whom and date delivered. \$
 Show to whom, date and address of delivery. \$
 RESTRICTED DELIVERY
 Show to whom and date delivered. \$
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Coquina Oil Corp.
 P. O. Drawer 2960
 Midland, TX 79702

3. ARTICLE DESCRIPTION: REGISTERED NO. CERTIFIED NO. INSURED NO.
 5701050

(Always obtain signature of addressee or agent)
 I have received the article described above.
 SIGNATURE Address Authorized agent
Clark
 DATE OF DELIVERY 5-17

4. POSTMARK
 MAY 17 1983
 TX
 CLERK'S INITIALS

5. ADDRESS (Complete entry if requested)

6. UNABLE TO DELIVER BECAUSE:

PS Form 3811, Jan. 1979

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

PS Form 3800, Apr. 1976

P05-5701050

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

SENT TO
 Coquina Oil Corp.
 STREET AND NO.
 P. O. Drawer 2960
 CITY, STATE AND ZIP CODE
 Midland, Texas 79702

POSTAGE \$

CERTIFIED FEE \$

SPECIAL DELIVERY \$

RESTRICTED DELIVERY \$

SHOW TO WHOM AND DATE DELIVERED

SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY \$

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY \$

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY \$

CONSULT POSTMASTER FOR FEES

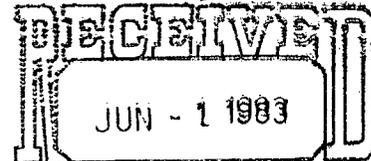
OPTIONAL SERVICES

RETURN RECEIPT SERVICE

TOTAL POSTAGE AND FEES \$

POSTMARK OR DATE
 May 13, 1983

PS Form 3800, Apr. 1976



May 13, 1983

OIL CONSERVATION DIVISION
SANTA FE

Read & Stevens
P. O. Box 1518
Roswell, New Mexico 88201

Re: Application for Unorthodox
Drilling Permit Exception
to Rule 104, C. II (a), Yates
Federal #5 Well, W/2 of
Section 17, T-20-S, R-29-E,
Eddy County, New Mexico

Gentlemen:

TXO Production Corp., hereinafter referred to as TXO, plans to drill the Yates Federal #5 Well at a location 990' FSL & 1990' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. This well is planned as a Morrow test. Since the state field rules specify 660' to the nearest side boundary, and 1980' to the nearest end boundary, the proposed location will require an exception to the well location requirements of Rule 104 C. II (a).

TXO wishes to drill at this location, because we feel that it is necessary if we are to recover oil and gas reserves underlying our operating rights in the lease. We are also convinced that the distance from the proposed location to other producing wells is sufficient to insure no harmful effect on other producers.

If you have no objection to this location, please date and execute the attached waivers of objection and return two executed copies in the self addressed, stamped envelope, which has been provided for your convenience. A third copy is for your files.

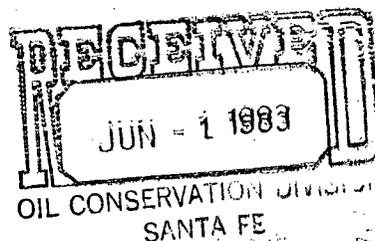
In the event you have any questions, please do not hesitate to contact me at the above address or by calling 915/682-7992.

Very truly yours,

Randy Click
Landman

RC/dp
Enclosures

New Mexico Oil Conservation Department
P. O. Box 2088
Santa Fe, New Mexico 87501



Re: Application for Unorthodox
Drilling Permit Exception
104 C. II (a), W/2 of
Section 17, T-20-S, R-29-E,
Eddy County, New Mexico
TXO Production Corp. proposed
Yates Federal #5 Well

Gentlemen:

Read & Stevens, as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow test well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 560' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Read & Stevens has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

READ & STEVENS

By: _____

Title: _____

Date: _____

Yates Federal #5 Well, Eddy Co., NM

PS Form 3811, Jan. 1979

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
 Show to whom and date delivered.
 Show to whom, date and address of delivery.
 RESTRICTED DELIVERY
 Show to whom and date delivered.
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Read & Stevens
 P. O. Box 1518
 Roswell, NM 88201

3. ARTICLE DESCRIPTION:
 REGISTERED NO. 5701051 CERTIFIED NO. INSURED NO.
 (Always obtain signature of addressee or agent)
 SIGNATURE Addressee Authorized agent
 DATE OF DELIVERY

4. ADDRESS (Complete only if requested)
 SIGNATURE *Bobbe J. Hennrich*
 DATE OF DELIVERY

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: _____

POSTMARK: WELLS, NM MAY 13 1983

CLERK'S INITIALS: 88

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

GPO : 1979-285-248

P05 5701051

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

SENT TO: Read & Stevens

STREET AND NO.: P. O. Box 1518

P.O. STATE AND ZIP CODE: Roswell, NM 88201

POSTAGE \$

CERTIFIED FEE \$

SPECIAL DELIVERY \$

RESTRICTED DELIVERY \$

SHOW TO WHOM AND DATE DELIVERED ✓

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY

SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY

SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY

OPTIONAL SERVICES

RETURN RECEIPT SERVICE

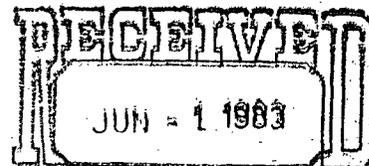
CONSULT POSTMASTER FOR FEES

TOTAL POSTAGE AND FEES \$

POSTMARK OR DATE: May 13, 1983

PS Form 3800, Apr. 1976

May 13, 1983



OIL CONSERVATION DIVISION
SANTA FE

Gladys Angle
801 Carper Dr.
Artesia, New Mexico 88210

Re: Application for Unorthodox
Drilling Permit Exception
to Rule 104, C. II (a), Yates
Federal #5 Well, W/2 of
Section 17, T-20-S, R-29-E,
Eddy County, New Mexico

Dear Ms. Angle:

TXO Production Corp., hereinafter referred to as TXO, plans to drill the Yates Federal #5 Well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. This well is planned as a Morrow test. Since the state field rules specify 660' to the nearest side boundary, and 1980' to the nearest end boundary, the proposed location will require an exception to the well location requirements of Rule 104 C. II (a).

TXO wishes to drill at this location, because we feel that it is necessary if we are to recover oil and gas reserves underlying our operating rights in the lease. We are also convinced that the distance from the proposed location to other producing wells is sufficient to insure no harmful effect on other producers.

If you have no objection to this location, please date and execute the attached waivers of objection and return two executed copies in the self addressed, stamped envelope, which has been provided for your convenience. A third copy is for your files.

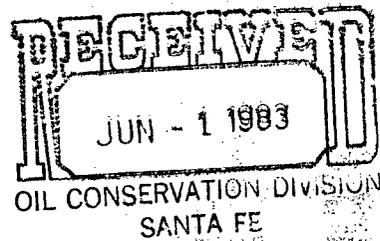
In the event you have any questions, please do not hesitate to contact me at the above address or by calling 915/682-7992.

Very truly yours,

Randy Click
Landman

RC/dp
Enclosures

New Mexico Oil Conservation Department
P. O. Box 2088
Santa Fe, New Mexico 87501



Re: Application for Unorthodox
Drilling Permit Exception
104 C. II (a), W/2 of
Section 17, T-20-S, R-29-E,
Eddy County, New Mexico
TXO Production Corp. proposed
Yates Federal #5 Well

Gentlemen:

Gladys Angle, as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow test well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Gladys Angle has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

Gladys Angle

Date: _____

Yates Federal #5 Well, Eddy Co., NM

PS Form 3811, Jan. 1979

1. The following service is requested (check one.)
 Show to whom and date delivered. \$
 Show to whom, date and address of delivery. \$
 RESTRICTED DELIVERY
 Show to whom and date delivered. \$
 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery. \$

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Gladys Angle
 801 Carper Dr.
 Artesia, NM

3. ARTICLE DESCRIPTION: REGISTERED NO. CERTIFIED NO. INSURED NO.
 5701049

(Always obtain signatures of addressee or agent)
 I have received the article described above.
 SIGNATURE Addressee Authorized agent
X Gladys Angle

4. DATE OF DELIVERY *5/17/83* POSTMARK *MAY 1983*

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

☆ GPO : 1979-288-848

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

P05 5701049

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

SENT TO Gladys Angle
 STREET AND NO. 801 Carper Dr.
 P.O. STATE AND ZIP CODE Artesia, New Mexico

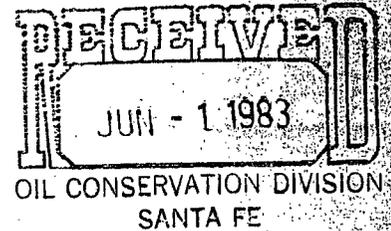
POSTAGE	\$
CERTIFIED FEE	\$
SPECIAL DELIVERY	\$
RESTRICTED DELIVERY	\$
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	\$
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	\$
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	\$
RETURN RECEIPT SERVICE	\$
OPTIONAL SERVICES	\$
TOTAL POSTAGE AND FEES	\$

POSTMARK OR DATE
 May 13, 1983

PS Form 3800, Apr. 1976

May 13, 1983

Ralph Nix
P. O. Box 617
Artesia, New Mexico 88210



Re: Application for Unorthodox
Drilling Permit Exception
to Rule 104, C. II (a), Yates
Federal #5 Well, W/2 of
Section 17, T-20-S, R-29-E,
Eddy County, New Mexico

Dear Mr. Nix:

TXO Production Corp., hereinafter referred to as TXO, plans to drill the Yates Federal #5 Well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. This well is planned as a Morrow test. Since the state field rules specify 650' to the nearest side boundary, and 1980' to the nearest end boundary, the proposed location will require an exception to the well location requirements of Rule 104 C. II (a).

TXO wishes to drill at this location, because we feel that it is necessary if we are to recover oil and gas reserves underlying our operating rights in the lease. We are also convinced that the distance from the proposed location to other producing wells is sufficient to insure no harmful effect on other producers.

If you have no objection to this location, please date and execute the attached waivers of objection and return two executed copies in the self addressed, stamped envelope, which has been provided for your convenience. A third copy is for your files.

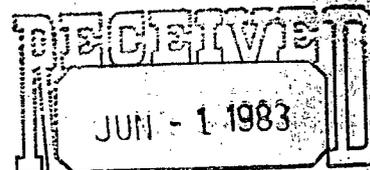
In the event you have any questions, please do not hesitate to contact me at the above address or by calling 915/682-7992.

Very truly yours,

Randy Click
Landman

RC/dp
Enclosures

New Mexico Oil Conservation Department
P. O. Box 2088
Santa Fe, New Mexico 87501



OIL CONSERVATION DIVISION

Re: Application for Unorthodox SANTA FE
Drilling Permit Exception
104 C. II (a), W/2 of
Section 17, T-20-S, R-29-E,
Eddy County, New Mexico
TXO Production Corp. proposed
Yates Federal #5 Well

Gentlemen:

Ralph Nix, as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow test well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Ralph Nix has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

Ralph Nix

Date: _____

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one)

- Show to whom and date delivered.....
- Show to whom, date and address of delivery.....
- RESTRICTED DELIVERY
- RESTRICTED DELIVERY
- Show to whom and date delivered.....
- RESTRICTED DELIVERY.
- Show to whom, date, and address of delivery, \$ _____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Ralph Nix
 P. O. Box 617
 Artesia, NM 88210

3. ARTICLE DESCRIPTION:
 REGISTERED NO. 5701048 CERTIFIED NO. _____ INSURED NO. _____

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent
Delores J. [Signature]

4. DATE OF DELIVERY
 5/17/83

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

☆GPO : 1979 293-948

POSTAL CLERK'S INITIALS
 MAY 15 1983
 MAY 13 1983

Yates Federal #5 Well, Eddy Co., NM

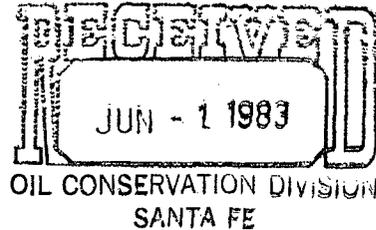
RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED—
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

P05 5701048

SENT TO: Ralph Nix
 STREET AND NO.: P. O. Box 617
 P.O. STATE AND ZIP CODE: Artesia, New Mexico 88210

POSTAGE \$

CONSULT POSTMASTER FOR FEES		
OPTIONAL SERVICES	CERTIFIED FEE	c
RETURN RECEIPT SERVICE	SPECIAL DELIVERY	c
SHOW TO WHOM AND DATE DELIVERED	RESTRICTED DELIVERY	c
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	RESTRICTED DELIVERY	c
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	RESTRICTED DELIVERY	c
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	RESTRICTED DELIVERY	c
TOTAL POSTAGE AND FEES		\$
POSTMARK OR DATE		May 13, 1983



May 13, 1983

Harvey E. Yates
P. O. Box 1933
Roswell, New Mexico 88201

Re: Application for Unorthodox
Drilling Permit Exception
to Rule 104, C. II (a), Yates
Federal #5 Well, W/2 of
Section 17, T-20-S, R-29-E,
Eddy County, New Mexico

Dear Mr. Yates:

TXO Production Corp., hereinafter referred to as TXO, plans to drill the Yates Federal #5 Well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. This well is planned as a Morrow test. Since the state field rules specify 660' to the nearest side boundary, and 1980' to the nearest end boundary, the proposed location will require an exception to the well location requirements of Rule 104 C. II (a).

TXO wishes to drill at this location, because we feel that it is necessary if we are to recover oil and gas reserves underlying our operating rights in the lease. We are also convinced that the distance from the proposed location to other producing wells is sufficient to insure no harmful effect on other producers.

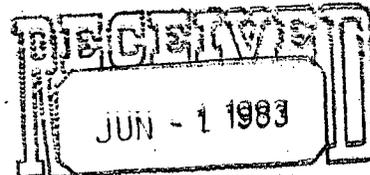
If you have no objection to this location, please date and execute the attached waivers of objection and return two executed copies in the self addressed, stamped envelope, which has been provided for your convenience. A third copy is for your files.

In the event you have any questions, please do not hesitate to contact me at the above address or by calling 915/682-7992.

Very truly yours,

Randy Click
Landman

RC/dp
Enclosures



OIL CONSERVATION DIVISION
SANTA FE

New Mexico Oil Conservation Department
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Drilling Permit Exception
104 C. II (a), W/2 of
Section 17, T-20-S, R-29-E,
Eddy County, New Mexico
TXO Production Corp. proposed
Yates Federal #5 Well

Gentlemen:

Harvey E. Yates, as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow test well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Harvey E. Yates has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

Harvey E. Yates

Date: _____

Yates Federal #5 Well, Eddy Co., NM

SENDER: Complete items 1, 2, and 3.
 * Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
 Show to whom and date delivered. _____ ¢
 Show to whom, date and address of delivery. _____ ¢
 RESTRICTED DELIVERY
 Show to whom and date delivered. _____ ¢
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$ _____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Harvey E. Yates
 P. O. Box 1933
 Roswell, NM 88201

3. ARTICLE DESCRIPTION: _____ INSURED NO. _____
 REGISTERED NO. 5701055

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE _____ Addressee Authorized agent

4. DATE OF DELIVERY _____
 POSTMARK
 MAY 17 1983

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: _____
 CLERK'S INITIALS _____

PS Form 3811, Jan, 1979

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

GPO : 1979-289-848

P05 5701055

RECEIPT FOR CERTIFIED MAIL

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

SENT TO _____
 STREET AND NO. Harvey E. Yates
 P. O. BOX NO. P. O. Box 1933
 P. O. STATE AND ZIP CODE Roswell, NM 88201
 POSTAGE \$ _____

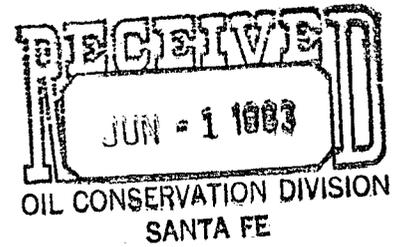
CONSULT POSTMASTER FOR FEES	\$
CERTIFIED FEE	¢
SPECIAL DELIVERY	¢
RESTRICTED DELIVERY	¢
SHOW TO WHOM AND DATE DELIVERED	¢
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	¢
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢
TOTAL POSTAGE AND FEES	\$

POSTMARK OR DATE

May 13, 1983

PS Form 3800, Apr. 1976

New Mexico Oil Conservation Department
P. O. Box 2088
Santa Fe, New Mexico 87501



Re: Application for Unorthodox
Drilling Permit
Exception to Rule 104 C.II(a)
W/2 Section 17, T-20-S, R-29-E,
Eddy County, New Mexico
TXO Production Corp. proposed
Yates Federal #5 Well

Gentlemen:

Davoil, Inc., as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow Test well at a location 990' FSL and 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Davoil, Inc. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

DAVOIL, INC.

By: J. H. Brannen
Title: President
Date: 5/3/83

New Mexico Oil Conservation Department
P. O. Box 2088
Santa Fe, New Mexico 87501



Re: Application for Unorthodox
Drilling Permit
Exception to Rule 104 C.II(a)
W/2 Section 17, T-20-S, R-29-E,
Eddy County, New Mexico
TXO Production Corp. proposed
Yates Federal #5 Well

Gentlemen:

The Estate of David Fasken, as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow Test well at a location 990' FSL and 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that The Estate of David Fasken has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

THE ESTATE OF DAVID FASKEN

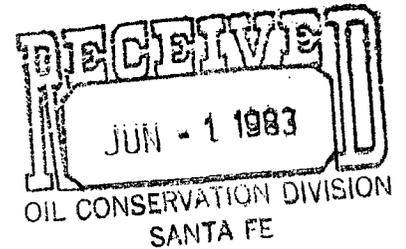
DAVID FASKEN

By: Richard S. Brooks
Richard S. Brooks, Attorney

Title: _____

Date: 5/10/83

New Mexico Oil Conservation Department
P. O. Box 2088
Santa Fe, New Mexico 87501



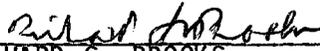
Re: Application for Unorthodox
Drilling Permit
Exception to Rule 104 C.II(a)
W/2 Section 17, T-20-S, R-29-E,
Eddy County, New Mexico
TXO Production Corp. proposed
Yates Federal #5 Well

Gentlemen:

Richard S. Brooks, offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow Test well at a location 990' FSL and 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Richard S. Brooks has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,



RICHARD S. BROOKS

Date: 5/10/83