

Release November 30, 1984

All offset operators

have sent waivers in.

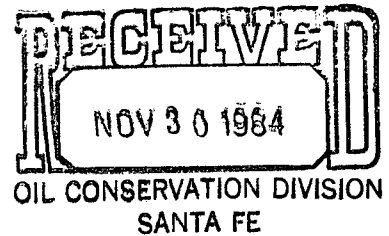
TXO PRODUCTION CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

915/682-7992

November 29, 1984



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

Attn: Mr. David Catanach

EXPRESS MAIL

Re: Application for Unorthodox Location
Request for Administrative Approval
Walterscheid #1 Well
W/2 Section 14,
T-22-S, R-27-E
Eddy County, New Mexico

Gentlemen:

TXO Production Corp. has recently submitted Form C-101 to the Oil Conservation Division for the Walterscheid #1 Well. The location for this well had to be moved due to topographic conditions. The location for this well was moved from 1980' FNL and 660' FWL to 1907' FNL and 635' FWL Section 14, T-22-S, R-27-E, Eddy County, New Mexico.

If TXO successfully completes the Walterscheid #1 as a Strawn (gas) or a Wolfcamp (gas) well, the proration unit will be the W/2 Section 14 (please see attached plat).

Due to our lease expiration situation, Form C-101 was submitted without the requisite waivers of objection from the offset operators and/or mineral owners. However, we have recently been able to acquire waivers from all of the offset operators and/or mineral owners, and these waivers are attached for your review.

If you refer to the attached plat, you will note the names of the offset operators and/or mineral owners listed at the bottom of the plat, along with the applicable offsetting acreage to our proration unit.

It is hoped that the attached waivers, etc. will allow the Oil Conservation Division to approve our unorthodox location for the Walterscheid #1. Thank you very much for your assistance and cooperation, and please call me collect at (915) 682-7992 should you have any questions.

Sincerely,

David M. Hundley
David M. Hundley
Area Landman

DMH/bv
Attachments

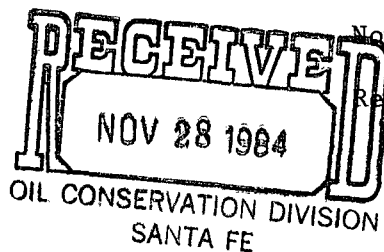
cc: Oil Conservation Division
324 W. Main Street
Artesia, New Mexico 88210
Attn: Mr. Les Clements

Mr. Arthur Brown
101 East Marland, Suite 105
Hobbs, New Mexico 88240

Santa Fe Energy Company



500 West Illinois
Midland, Texas 79701
915/687-3551



November 20, 1984

Re: Application for Unorthodox Location Drilling
Permit Exception to Rule
104 C.II(a)
Walterscheid #1 Well
W/2 Sec. 14, T-22-S,
R-27-E, Eddy County, NM

New Mexico Oil Conservation
Department
P.O. Box 2008
Santa Fe, New Mexico 87501

Gentlemen:

Enclosed please find our executed consent letter for TXO Production Company to drill the above captioned well. Should you have any questions please contact me.

Sincerely yours,

Patrick J. Tower
Landman

PJT/efw
1 Encl a/s



November 20, 1984

New Mexico Oil Conservation Department
P. O. Box 2008
Santa Fe, New Mexico 87501

Re: Application for Unorthodox Drilling
Permit Exception to Rule 104 C.II(a)
Walterscheid #1 Well
W/2 Section 14, T-22-S, R-27-E,
Eddy County, New Mexico

Gentlemen:

Santa Fe Energy Co., as offset operator or owner of record title to the operating rights of acreage adjacent to the above referenced 320 acre tract, has been advised by TXO Production Corp. of its desire to drill the Walterscheid #1 Well. This well, being a 10,650 foot Strawn wildcat with secondary potential in the Wolfcamp at approximately 10,025', will be located 635' FWL and 1907' FNL of Section 14, T-22-S, R-27-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than 660' FWL and 1980' FNL which is prescribed by the Field Rules for a Strawn wildcat test or the Carlsbad East (Wolfcamp) field (being the secondary objective).

This is to advise that Santa Fe Energy Co. 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.

Sincerely,

SANTA FE ENERGY CO.

By: Hugh L. Best

Title: District Production Manager

Date: 11-20-84

November 20, 1984

New Mexico Oil Conservation Department
P. O. Box 2008
Santa Fe, New Mexico 87501

Re: Application for Unorthodox Drilling
Permit Exception to Rule 104 C.II(a)
Walterscheid #1 Well
W/2 Section 14, T-22-S, R-27-E,
Eddy County, New Mexico

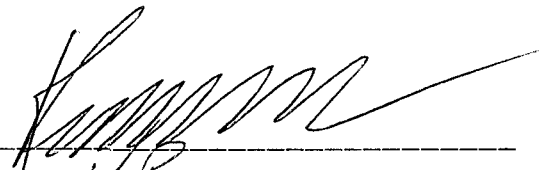

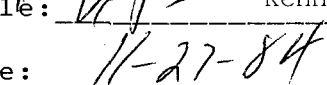
Gentlemen:

Western Oil Producers, as offset operator or owner of record title to the operating rights of acreage adjacent to the above referenced 320 acre tract, has been advised by TXO Production Corp. of its desire to drill the Walterscheid #1 Well. This well, being a 10,650 foot Strawn wildcat with secondary potential in the Wolfcamp at approximately 10,025', will be located 635' FWL and 1907' FNL of Section 14, T-22-S, R-27-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than 660' FWL and 1980' FNL which is prescribed by the Field Rules for a Strawn wildcat test or the Carlsbad East (Wolfcamp) field (being the secondary objective).

This is to advise that Western Oil Producers 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.

Sincerely,

WESTERN OIL PRODUCERS

By: 
Title:  Kenneth D. Reynolds
Date: 

New Mexico Oil Conservation Department
P. O. Box 2008
Santa Fe, New Mexico 87501

Re: Application for Unorthodox Drilling
Permit Exception to Rule 104 C.II(a)
Walterscheid #1 Well
W/2 Section 14, T-22-S, R-27-E,
Eddy County, New Mexico

Gentlemen:

Anita S. Hillger, et vir George Hillger as offset operator or owner of record title to the operating rights of acreage adjacent to the above referenced 320 acre tract, has been advised by TXO Production Corp. of its desire to drill the Walterscheid #1 Well. This well, being a 10,650 foot Strawn wildcat with secondary potential in the Wolfcamp at approximately 10,025', will be located 635' FWL and 1907' FNL of Section 14, T-22-S, R-27-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than 660' FWL and 1980' FNL which is prescribed by the Field Rules for a Strawn wildcat test or the Carlsbad East (Wolfcamp) field (being the secondary objective).

This is to advise that Anita S. Hillger et vir, George Hillger 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.

Sincerely,


Anita S. Hillger


George Hillger

November 20, 1984

New Mexico Oil Conservation Department
P. O. Box 2008
Santa Fe, New Mexico 87501

Re: Application for Unorthodox Drilling
Permit Exception to Rule 104 C.II(a)
Walterscheid #1 Well
W/2 Section 14, T-22-S, R-27-E,
Eddy County, New Mexico

Gentlemen:

Eastland Oil Company, as offset operator or owner of record title to the operating rights of acreage adjacent to the above referenced 320 acre tract, has been advised by TXO Production Corp. of its desire to drill the Walterscheid #1 Well. This well, being a 10,650 foot Strawn wildcat with secondary potential in the Wolfcamp at approximately 10,025', will be located 635' FWL and 1907' FNL of Section 14, T-22-S, R-27-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than 660' FWL and 1980' FNL which is prescribed by the Field Rules for a Strawn wildcat test or the Carlsbad East (Wolfcamp) field (being the secondary objective).

This is to advise that Eastland Oil Company 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.

Sincerely,

EASTLAND OIL COMPANY

By: Geo. A. Donnelly Jr.

Title: Pres.

Date: 11/20/84

November 20, 1984

New Mexico Oil Conservation Department
P. O. Box 2008
Santa Fe, New Mexico 87501

Re: Application for Unorthodox Drilling
Permit Exception to Rule 104 C.II(a)
Walterscheid #1 Well
W/2 Section 14, T-22-S, R-27-E,
Eddy County, New Mexico

Gentlemen:

Union Oil Company of California, as offset operator or owner of record title to the operating rights of acreage adjacent to the above referenced 320 acre tract, has been advised by TXO Production Corp. of its desire to drill the Walterscheid #1 Well. This well, being a 10,650 foot Strawn wildcat with secondary potential in the Wolfcamp at approximately 10,025', will be located 635' FWL and 1907' FNL of Section 14, T-22-S, R-27-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than 660' FWL and 1980' FNL which is prescribed by the Field Rules for a Strawn wildcat test or the Carlsbad East (Wolfcamp) field (being the secondary objective).

This is to advise that Union Oil Company of California 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.

Sincerely,

UNION OIL COMPANY OF CALIFORNIA

By: Robert V. Lockhart
Robert V. Lockhart
Title: District Land Manager
Date: November 21, 1984

November 20, 1984

New Mexico Oil Conservation Department
P. O. Box 2008
Santa Fe, New Mexico 87501

Re: Application for Unorthodox Drilling
Permit Exception to Rule 104 C.II(a)
Walterscheid #1 Well
W/2 Section 14, T-22-S, R-27-E,
Eddy County, New Mexico

Gentlemen:

Delta Drilling (Delta US), as offset operator or owner of record title to the operating rights of acreage adjacent to the above referenced 320 acre tract, has been advised by TXO Production Corp. of its desire to drill the Walterscheid #1 Well. This well, being a 10,650 foot Strawn wildcat with secondary potential in the Wolfcamp at approximately 10,025', will be located 635' FWL and 1907' FNL of Section 14, T-22-S, R-27-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than 660' FWL and 1980' FNL which is prescribed by the Field Rules for a Strawn wildcat test or the Carlsbad East (Wolfcamp) field (being the secondary objective).

This is to advise that Delta Drilling (Delta US) 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.

Sincerely,

DELTA DRILLING (DELTA US)

By: 

Title: Division Land Manager

Date: 11/20/84

November 20, 1984

New Mexico Oil Conservation Department
P. O. Box 2008
Santa Fe, New Mexico 87501

Re: Application for Unorthodox Drilling
Permit Exception to Rule 104 C.II(a)
Walterscheid #1 Well
W/2 Section 14, T-22-S, R-27-E,
Eddy County, New Mexico

Gentlemen:

Santa Fe Energy Co., as offset operator or owner of record title to the operating rights of acreage adjacent to the above referenced 320 acre tract, has been advised by TXO Production Corp. of its desire to drill the Walterscheid #1 Well. This well, being a 10,650 foot Strawn wildcat with secondary potential in the Wolfcamp at approximately 10,025', will be located 635' FWL and 1907' FNL of Section 14, T-22-S, R-27-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than 660' FWL and 1980' FNL which is prescribed by the Field Rules for a Strawn wildcat test or the Carlsbad East (Wolfcamp) field (being the secondary objective).

This is to advise that Santa Fe Energy Co. 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.

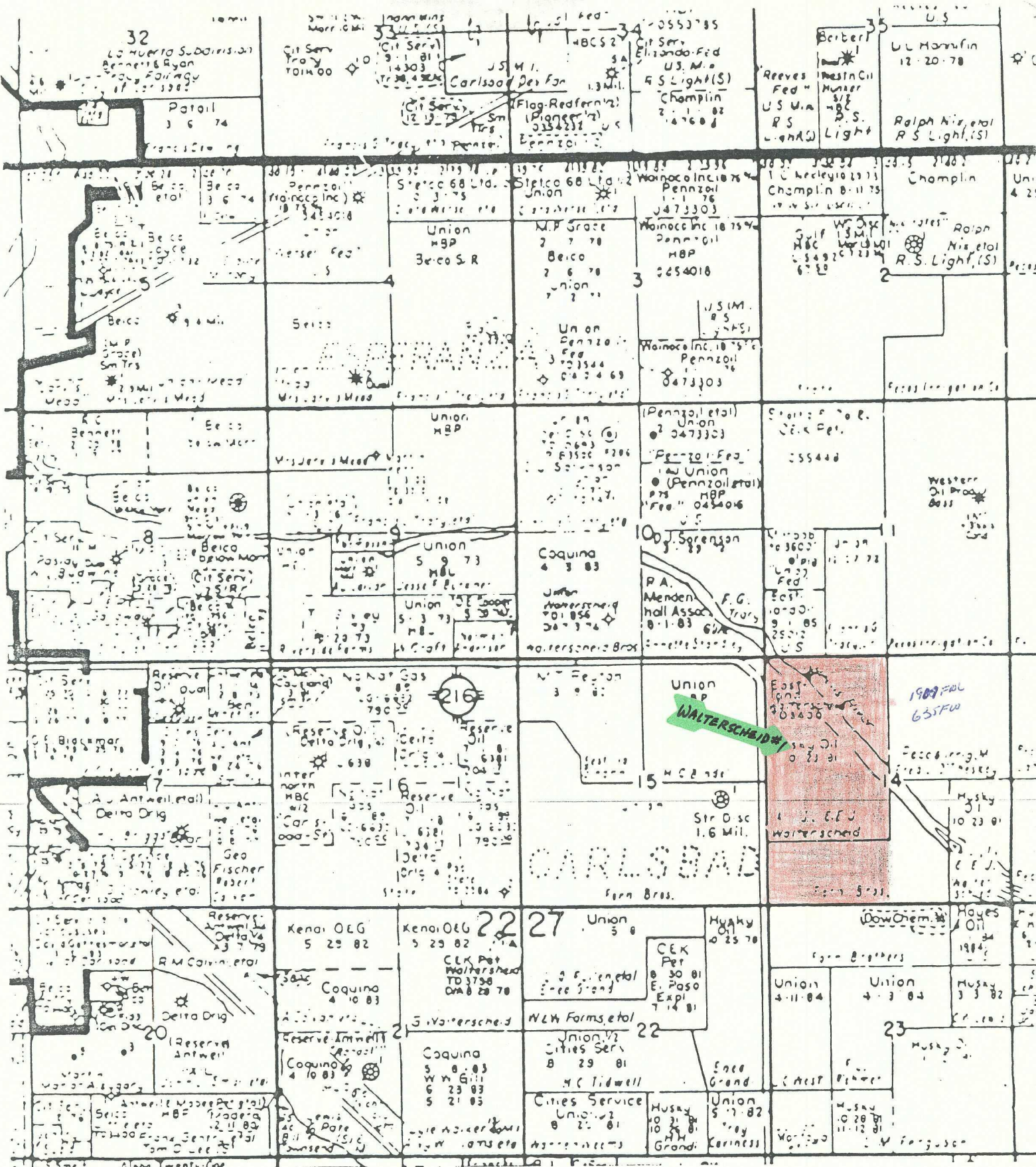
Sincerely,

SANTA FE ENERGY CO.

By: Hugh L. Best

Title: District Production Manager

Date: 11-20-84



APPLICATION FOR UNORTHODOX LOCATION
TXO PRODUCTION CORP.
WALTERSCHEID #1 WELL

OFFSET OPERATORS OR MINERAL OWNERS

1. Union Oil Co. of California - E/2 Section 15, SE/4 SW/4 Section 11, N/2 NW/4 and NW/4 NE/4 Section 23
2. Santa Fe Energy Co. - NE/4 NE/4 Section 22
3. Delta Drilling Co. - NE/4 Section 14
4. Eastland Oil Co. - SW/4 SW/4 Section 11
5. Western Oil Producers - SE/4 Section 11
6. Anita S. Hillger and husband George - SE/4 Section 10 lying south and west of the Pecos River