

**KELLAHIN, KELLAHIN and AUBREY**  
*Attorneys at Law*

W. Thomas Kellahin  
Karen Aubrey

El Patio - 117 North Guadalupe  
Post Office Box 2265

Telephone 982-4285  
Area Code 505

Jason Kellahin  
Of Counsel

Santa Fe, New Mexico 87504-2265

Fax: 505/982-2047

November 7, 1989

RECEIVED

NOV - 7 1989

OIL CONSERVATION DIVISION

Case 9831

HAND DELIVERED

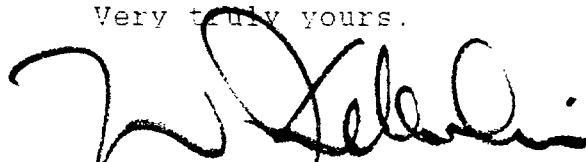
William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of TXO  
Production Corp., for Directional Drilling, Eddy  
County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the above-referenced applica-  
tion of TXO Production Corp. TXO Production Corp. respect-  
fully requests that this matter be placed on the docket for  
the Examiner hearings scheduled on November 29, 1989.

Very truly yours,



W. Thomas Kellahin

WTK/tic  
Encl.

cc: Mr. Richard Coats  
TXO Production Corp.  
900 Wilco Building  
Midland, Texas 79701

William F. Carr, Esq.  
Campbell & Black, P.A.  
P. O. Box 2208  
Santa Fe, New Mexico 87504

"Certified Return-Receipt Requested"

All parties listed on Exhibit "B"

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

RECEIVED

NOV - 7 1951

IN THE MATTER OF THE APPLICATION  
OF TXO PRODUCTION CORP., FOR  
APPROVAL FOR DIRECTIONAL DRILLING,  
EDDY COUNTY, NEW MEXICO

OIL CONSERVATION DIVISION  
CASE NO. 9831

A P P L I C A T I O N

COMES NOW, TXO PRODUCTION CORP., by and through its attorneys, Kellahin, Kellahin & Aubrey, and applies to the New Mexico Oil Conservation Division for approval for directional drilling for its Burton Flat Federal Well No. 1 to be located at a surface location 900 feet FSL and 1815 feet FWL of Section 11, T20S, R29E, NMPM, Eddy County, New Mexico, and to be directionally drilled to within 150' radius of a bottom hole location 2145 feet FNL and 1815 feet FWL of Section 14, T20S, R29E in the top of the Strawn at a true vertical depth of approximately 10.526 feet.

1. Applicant is a working interest owner and proposed operator for the W/2 of Section 14, T20S, R29E, NMPM, Eddy County, New Mexico.

2. Applicant proposes to drill the Burton Flat Federal Well No. 1 commencing at a surface location of 900 feet FSL and 1815 feet FWL of Section 11 and to directionally drill the subject well to penetrate the top of the Strawn formation in the East Burton Flat Strawn Pool at a true vertical depth of approximately 10.526 feet to be within 150' radius of a subsurface

target which will be 2145 feet FNL and 1815 feet FWL of Section 14 and then to continue drilling in a directional manner to penetrate the base of the Strawn formation in the East Burton Flat Strawn Pool at a true vertical depth of approximately 10,950 feet within a 150' radius of a subsurface target 1815 feet FWL and 2344.5 feet FNL of said Section 14. The approximate total depth of the well will be 10,950 feet all as shown on Exhibit A attached.

3. The applicant proposes that the proration and spacing unit for the subject well for Strawn production will be W/2 of Section 14.

4. Directional drilling is required by the operation of the Division Oil-Potash rules and regulations.

5. The Potash lessee in the area has approved the Application.

6. All offset operators are listed on Exhibit B and pursuant to Division Notice Rules have been provided with a copy of this application.

7. Applicant requests that after notice and hearing the application be approved as requested.

Respectfully submitted

By:

W. Thomas Kellahin

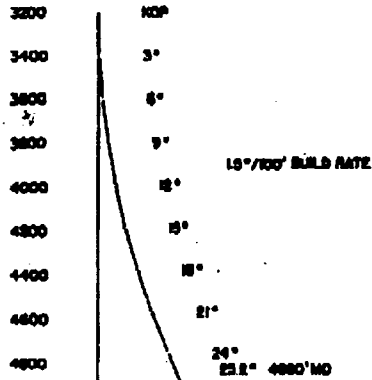
Kellahin, Kellahin & Aubrey  
Post Office Box 2265  
Santa Fe, New Mexico 87504

(505) 982-4285

# VERTICAL SECTION

SCALE - 1" = 200'

TXO PRODUCTION CORP.  
BURTON FLAT FEDERAL NO. 1  
SEC. II T20S R29E  
EDDY COUNTY, NEW MEXICO



**DUG**  
DECLINATION 10° EAST

## PLAN VIEW

SCALE - 1" = 200'

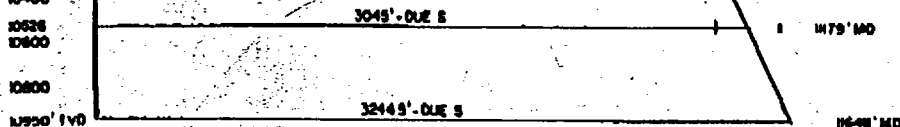
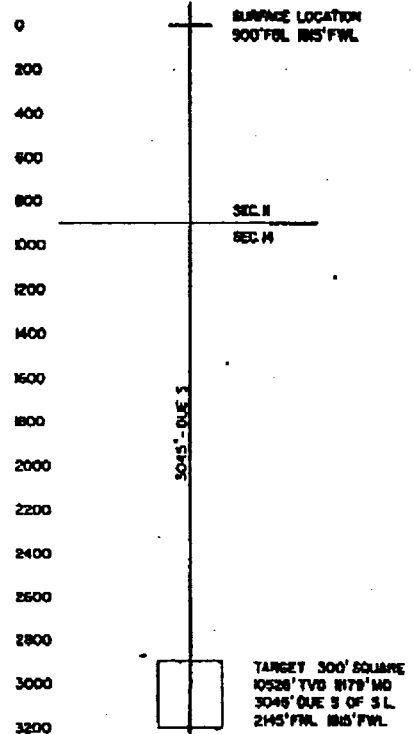


EXHIBIT E

BURTON FLAT FEDERAL NO 1  
OFFSET OPERATORS

J. C. Williamson  
P.O. Box 16  
Midland, Texas 79702

Harvey E. Yates Company  
P.O. Box 1933  
Roswell, New Mexico 88202-1933

Cibola Energy Corp.  
P.O. Box 1568  
Albuquerque, New Mexico 87103

Yates Energy Company  
P.O. Box 2323  
Roswell, New Mexico 88202

Yates Petroleum Corp.  
105 S. 4th Street  
Artesia, New Mexico 88210

OIL CONSERVATION DIVISION  
RECEIVED

'89 OCT 19 AM 9 23

**TXO**

**PRODUCTION CORP.**

415 WEST WALL, SUITE 900  
MIDLAND, TEXAS 79701-4468  
(915) 682-7992

October 17, 1989

New Mexico Oil Conversation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

Attn: William J. LeMay

Re: Rule 111 (C)  
Burton Flat Federal #1  
Eddy County, NM  
Case No. 9762 — 9803

Dear Mr. LeMay:

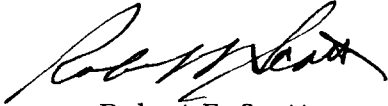
TXO Production Corp. is amending its Application for Permit to Drill the Burton Flat Federal #1. Please note the following changes:

- 1) The classification of the well has been changed from oil to gas.
- 2) The field name has been changed from Parkway South to Burton Flat, East (Strawn).
- 3) The previously determined bottom hole location of 825' FNL & 1815' FWL of Section 14 has been changed to 2145' FNL & 1815' FWL of Section 14.
- 4) The dedicated acreage of 40 acres has been increased to a total of 320 acres (W  $\frac{1}{2}$  of sec 14).

All surface data will remain the same and the drilling information will be unchanged other than the provision of the revised bottom hole location.

Should you have any questions please contact Tim Goudeau or myself at the above phone number.

Sincerely,

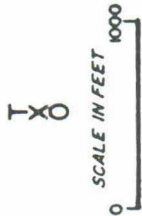
  
Robert F. Scott  
Dist Safety & Environmental Coor.

RFS:llk  
89/10:1733

cc: ~~Richard Coats~~  
Well File

*Full info*  
*from Bureau*  
*Case file*

T-20-S, R-29-E  
Eddy County  
New Mexico



BURTON FLAT, EAST (STRAWN) FIELD

10

11

Burton Flat Federal #1  
SURFACE LOCATION  
900' FSL & 1815' FWL  
Sec. 11, T-20-S, R-29-E

1/2 mile from LMR

5

4

15

14

BOTTOM HOLE LOCATION  
2145' FNL & 1815' FWL  
Sec. 14, T-20-S, R-29-E

3045'

2144  
- 900  
-----  
2344

2144  
- 900  
-----  
2344

*Top of hole bottom*

Life Mine Reserves



BUFFER ZONE



PARKWAY SOUTH  
OIL POOL UNIT

← 320 Acres  
Proration Unit

TXO Production Corp.

APPLICATION TO DRILL

TXO Prod. Corp. #1

Burton Flat Federal

in Potash Area

TXO PRODUCTION CORP.  
415 W. Wall, Ste. 900  
MIDLAND, TX 79701-4468

PHONE: (915) 682-7992  
FAX: (915) 682-2279

TRANSMITTAL SHEET

DATE: October 26, 1989  
# PAGES TO FOLLOW: 4  
TO: Michael Stogner, Examiner  
COMPANY: Oil Conservation Division  
TELECOPIER #: (505) 827-5741  
PHONE #:  
FROM: RICHARD H. COATS  
DISTRICT: WEST TEXAS - MIDLAND

If pages are incomplete or illegible, please call  
Loree @ extension 305 for  
assistance.

TIME SENT: \_\_\_\_\_

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



# TXO

## PRODUCTION CORP.

415 WEST WALL, SUITE 900  
MIDLAND, TEXAS 79701-4468  
(915) 682-7992

October 16, 1989

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Attn: Kathy Colbert

RE: BURTON FLAT AREA  
Eddy County, New Mexico

Gentlemen:

TXO Production Corp. ("TXO") and Yates Petroleum Corporation ("Yates") have agreed to the following:

- (1) TXO and Yates shall agree to support expanding the Burton Flat East Strawn Gas Pool, which provides for 320 acre spacing, to include the E/2 of Section 14 and W/2 of Section 14, T-20-S, R-29-E, N.M.P.M., Eddy County, New Mexico.
- (2) TXO agrees to amend its application to directionally drill Burton Flat Federal #1 well to provide for a 320 acre proration unit (W/2 of Section 14) and an orthodox bottom-hole location.
- (3) Yates agrees to withdraw its protest of TXO's application to directionally drill the Burton Flat Federal #1 well, as amended herein. This application, Case No. 9762, is currently scheduled for hearing on October 18, 1989, before the New Mexico Oil Conservation Division.
- (4) TXO agrees to withdraw its protest of Yates' application to directionally drill the Zia "ZS" Federal Com. #1 well. This application, Case No. 9788, is currently scheduled for hearing on October 18, 1989, before the New Mexico Oil Conservation Division.
- (5) Yates and TXO agree to continue TXO's application to directionally drill the Williamson Federal #6 well, Case No. 9763 which is currently scheduled for hearing on October 18, 1989, before the New Mexico Oil Conservation Division.

RECEIVED

OCT 18 1989

TEXAS OIL GAS COR.

10/26/89  
10/16/89

08:36  
18:26

TXO MIDLAND  
TXO MIDLAND

NO. 001  
NO. 011

003  
003

Yates Petroleum Corporation  
October 16, 1989  
Page Two

In the event Yates agrees to the terms and conditions contained herein, please evidence your acceptance by signing the space provided below and returning one (1) copy of this Letter Agreement to my attention.

Please let me know if you have any questions or comments.

Sincerely,

TXO PRODUCTION CORP.



Richard H. Coats  
Landman

RHC/lc

AGREED AND ACCEPTED THIS 17 DAY OF OCTOBER, 1989.

YATES PETROLEUM CORPORATION

BY:



TITLE:

Ray H. Felt

**HEYCO****PETROLEUM PRODUCERS****HARVEY E. YATES COMPANY**

P O BOX 1933

ONE SUNWEST CENTRE

505/623-8801

FAX 505/622-4221

ROSWELL, NEW MEXICO 88202-1933

October 11, 1989

TXO Production Corporation  
415 West Wall, Suite 900  
Midland, Texas 79701-4468

Attention: Richard Coats

Re: Burton Flat Fed. Com #1  
Section 14: W/2  
T-20S, R-29E, NMPM  
Eddy County, New Mexico

Gentlemen:

Pursuant to the receipt of your letter, dated October 3, 1989, Harvey E. Yates Company (HEYCO) proposes the following:

1. TXO Production Corporation (TXO) shall agree to expand the Burton Flat Strawn Field to include the W/2 of Section 14, therefore establishing 320-acre spacing and amend its application in Case No. 9762 scheduled for hearing before the New Mexico Oil Conservation Division, on October 18, 1989, to provide for 320-acre spacing.

2. TXO, as Operator, would directionally drill the Burton Flat Federal Com #1 well to test the Strawn formation. The surface location would be 900' FSL & 1815' FWL of Section 11, T-20S, R-29E, NMPM, Eddy County, New Mexico. Said well shall be drilled to a measured depth of 11,500', or to a depth sufficient to test the Strawn formation, whichever is the shallower. The anticipated bottom hole location for said well will be targeted for 1815' FWL & 2145' FNL of Section 14, T-20S, R-25E, NMPM, Eddy County, New Mexico. The proposed proration unit for said well shall comprise the W/2 of Section 14, which would require said land to be communitized.

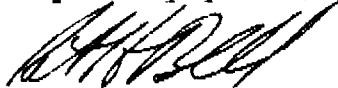
3. Said well will be drilled under a mutually-acceptable AAPL Form 610-1982 Model Form Operating Agreement, which shall cover those depths from the surface of the earth down to the base of the Strawn formation, and will include the production of oil, gas, casinghead gas and associated hydrocarbons from any and all formations, from the surface to the base of the Strawn formation in the W/2 of Section 14.

October 11, 1989  
TXO Production Corp.  
Page 2

4. If TXO assigns or transfers its interest to a third party or is liquidated and/or dissolved by merger, corporate dissolution, or otherwise, HEYCO shall automatically become the Operator under the above-described operating agreement, effective as of the date of such assignment, transfer, liquidation or dissolution.

Upon acceptance of these terms by TXO, HEYCO will execute the AFE and the signature page to the referenced JOA. We will also, at that time, withdraw our application for compulsory pooling in Case No. 9787 scheduled for hearing October 18, 1989, before the New Mexico Oil Conservation Division.

Very truly yours,



Robert H. Bell  
Landman

RHB/dlm

txoburft/NL

AGREED AND ACCEPTED THIS 12<sup>th</sup> DAY OF October, 1989.

TXO PRODUCTION COMPANY

By:

  
R. A. Varela

Title: Vice President and District Manager





RECEIVED

TXO PRODUCTION CORP.  
900 WILCO BUILDING  
MIDLAND, TEXAS 79701

AUG 3 1989

OIL CONSERVATION DIV.  
SANTA FE

July 19, 1989

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

Attn: William J. LeMay

Re: Rule 111 (c)  
Burton Flat Federal #1  
Parkway South (Strawn)  
Eddy County, New Mexico

Dear Mr. LeMay:

*Case 9762*

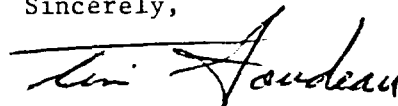
TXO Production Corp. respectfully requests administrative approval to intentionally deviate the subject well from vertical to an orthodox bottom hole location under the New Mexico State Rule No. 111 (c). Attached you will find a plat showing the surface location of 1815' FWL & 900' FSL of Sec. 11, T-20-S, R-29-E, Eddy County, New Mexico, and the targeted bottom hole location of 825' FNL & 1815' FWL, Sec. 14, T-20-S, R-29-E, Eddy County, New Mexico. The surface location was surveyed by John West Engineering and field inspected and approved by the BLM.

TXO is deviating the well in compliance with the NMOCD order No. R-111-P for protection of the potash mining interests. The order states that the subject well be drilled outside the one-half mile from life mine reserve line as indicated by the plat. The potash lessee (Eddy Potash Company) supplied TXO with their life mine reserves which are indicated on the plat by the red line which goes through Sections 15 & 14.

Attached you will find a list of operators of proration or spacing units offsetting the subject well's unit along with their addresses and copies of the certified mail receipts giving notification of deviation.

Please feel free to call me concerning any questions regarding this matter at (915) 682-7992.

Sincerely,



Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

TG/mcw

P 954 385 884

**RECEIPT FOR CERTIFIED MAIL**

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

Sent to N.M.O.C.D.	
Street and No P. O. Box 2088	
P.O., State and ZIP Code Santa Fe, NM 87504-2088	
Postage	5
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	5
Postmark or Date	

PS Form 3800, June 1985

Fold at line over top of envelope to the right  
of the return address.

**CERTIFIED**

P 954 385 884

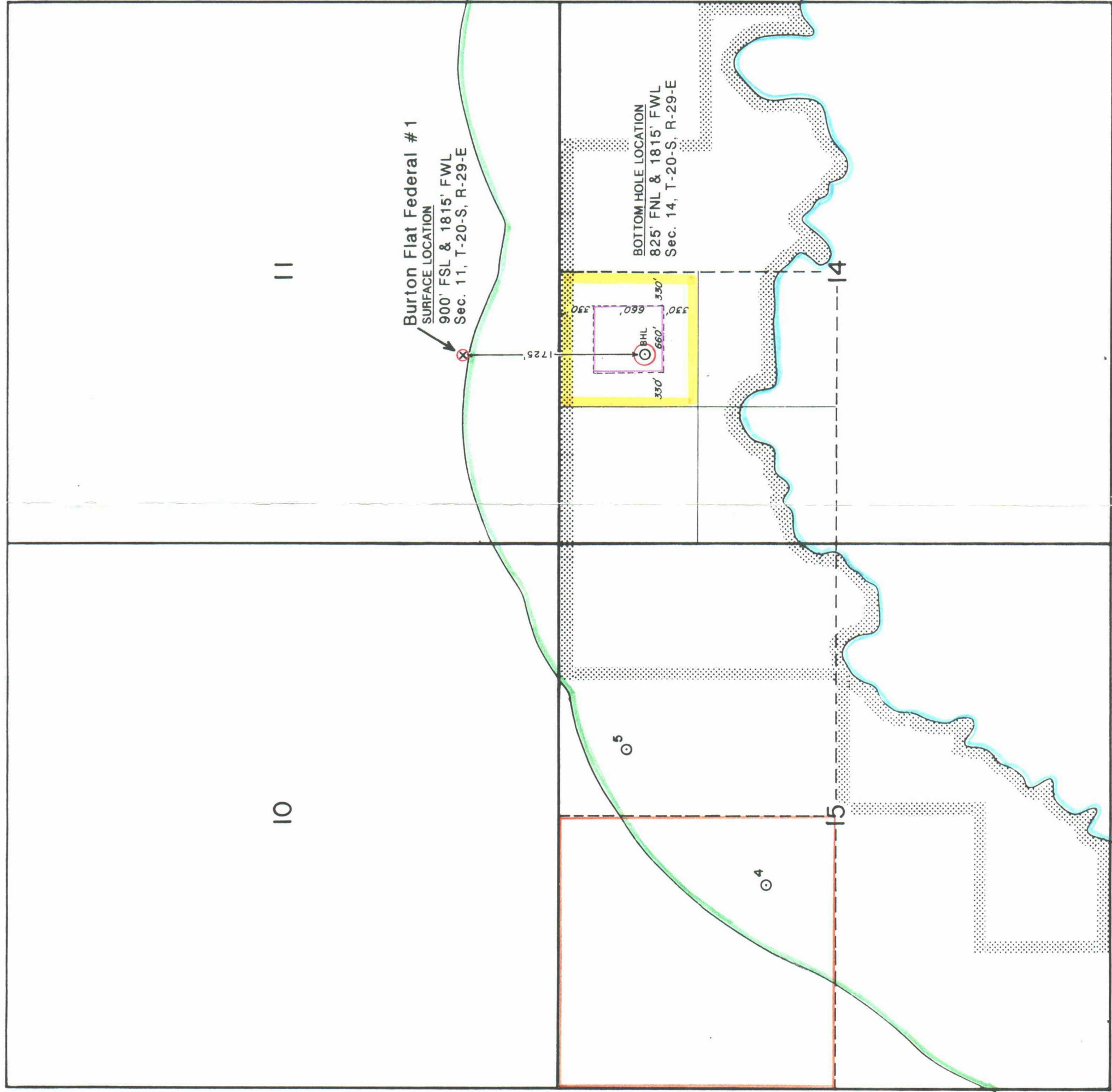
**MAIL**



T-20-S, R-29-E  
Eddy County  
New Mexico



Scale: 1"=1000'



- 40 ACRES LEGAL LOCATION AREA
- 40 ACRES PRORATION UNIT
- BUFFER ZONE
- PARKWAY SOUTH OIL POOL UNIT

**TXO Production Corp.**  
APPLICATION TO DRILL  
TXO Prod. Corp. #1  
Burton Flat Federal  
in Potash Area

BURTON FLAT FEDERAL #1  
OFFSET OPERATORS

SW/4 of Section 14

- 1) Harvey E. Yates Company  
P. O. Box 1933  
Roswell, New Mexico 88202-1933
- 2) Cibola Energy Corp.  
P. O. Box 1668  
Albuquerque, New Mexico 87103

NE/4, N/2 SE/4 and SW/4 SE/4 of Section 14

- 1) Yates Petroleum Corp.  
105 S. 4th Street  
Artesia, New Mexico 88210

SE/4 of Section 15

- 1) Yates Petroleum Corp.  
105 S. 4th Street  
Artesia, New Mexico 88210

N/2 of Section 15

- 1) TXO Production Corp.
- 2) Great Western Drilling Company  
P. O. Box 1659  
Midland, Texas 79702
- 3) Barbara T. Fasken  
303 West Wall Ave., Suite 1901  
Midland, Texas 79701
- 4) Davoil, Inc.  
P. O. Box 12507  
Fort Worth, Texas 76116
- 5) Richard S. Brooks and wife, Annie May Brooks  
303 West Wall Ave., Suite 608  
Midland, Texas 79702
- 6) J. C. Williamson  
P. O. Box 16  
Midland, Texas 79702
- 7) D. W. Underwood  
505 N. Big Spring, Suite 100  
Midland, Texas 79701
- 8) Josephine Laughlin  
1400 W. Pecan  
Midland, Texas 79701
- 9) J. C. Barnes, Jr.  
Viola Barnes  
Christy Ray  
Steven C. Barnes  
Viola Elaine Byrum  
P. O. Box 505  
Midland, Texas 79702
- 10) Jane B. Ramsland  
P. O. Box 10689  
Midland, Texas 79702

BURTON FLAT FEDERAL #1  
OFFSET OPERATORS

N/2 of Section 15 (Cont'd)

- 11) W. F. Wynn  
Shirley B. Wynn  
Preston State Bank Building, Suite 811  
8111 Preston Road  
Dallas, Texas 75205
- 12) Claude F. Wynn  
P. O. Box 6832  
Houston, Texas 77265
- 13) Russell J. Ramsland, Jr.  
Claudia R. Burch  
P. O. Box 10505  
Midland, Texas 79702
- 14) Tenexplo Corporation  
Tenexplo Fund VII  
James E. Wheeler, Trustee for the Wheeler International  
Profit Sharing Plan  
J.E.R. Chilton, III  
Michael Pescatello  
Out West Exploration  
Alton D. Kelly  
C. R. Hefner  
c/o Tenexplo Corporation  
660 Two Energy Square  
Dallas, Texas 75205

All of Section 11

Marico Exploration Inc.  
Weed Oil & Gas  
Yates Drilling Co.  
Payton Yates  
Richard Yates  
S. P. Yates  
John A. Yates  
Martin Yates Estate  
Lillie M. Yates  
S. P. Yates & Estelle H. Yates 1976 Trust  
Yates Petroleum Corporation  
c/o Yates Petroleum Corporation  
105 S. 4th Street  
Artesia, New Mexico 88210

All of Section 10

- 1) Roger E. Canter  
2304 Maxwell  
Midland, Texas 79705
- 2) J. C. Barnes  
P. O. Box 505  
Midland, Texas 79702
- 3) W. F. Wynn, Trustee of the  
Shirley B. Cummings Trust  
8111 Preston Road, Suite 811  
Dallas, Texas 75205
- 4) R. J. Ramsland  
Drawer 10505  
Midland, Texas 79702

BURTON FLAT FEDERAL #1  
OFFSET OPERATORS

All of Section 10 (Cont'd)

- 5) J. C. Barnes, Jr.  
P. O. Box 505  
Midland, Texas 79702
- 6) Barnes Adelante Trust  
P. O. Box 505  
Midland, Texas 79702
- 7) W. F. Wynn  
8111 Preston Road, Suite 811  
Dallas, Texas 75225
- 8) Boyd Laughlin  
1400 W. Pecan  
Midland, Texas 79701
- 9) D. W. Underwood  
505 N. Big Spring, Suite 100  
Midland, Texas 79701
- 10) J. C. Williamson  
P. O. Box 16  
Midland, Texas 79702
- 11) Ralph E. Williamson  
P. O. Box 16  
Midland, Texas 79702
- 12) Toni W. Croft  
1511 "G" Street  
Anchorage, Alaska 99501-5031

well file

TXO PRODUCTION CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

July 19, 1989

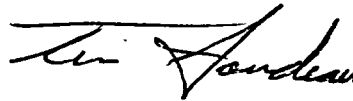
J. C. Barnes, Jr., et al  
P. O. Box 505  
Midland, Texas 79702

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

TXO Production Corp. plans to drill the subject well from the above surface location to the indicated targeted bottomhole location. This letter is in compliance with NMOC Rule No. 111 (c) and will serve as notice of application to drill and deviate the subject well. If you have any questions regarding this matter, please feel free to call me at (915) 682-7992.

Sincerely,



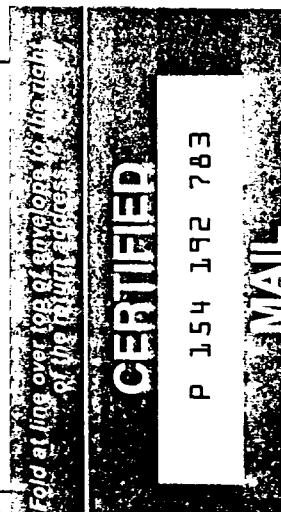
Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

P 154 192 783

RECEIPT FOR CERTIFIED MAIL

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

Sent to	J. C. Barnes, Jr., et al
Street and No.	P. O. Box 505
P.O. State and ZIP Code	Midland, TX 79702
Postage	5
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	5
Postmark or Date	7-28-89



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

July 19, 1989

Josephine Laughlin  
 1400 W. Pecan  
 Midland, Texas 79701

Re: Burton Flat Federal #1  
 Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
 T-20-S, R-29-E, Eddy County, NM  
 Targeted Bottomhole  
 Location: 825' FNL & 1815' FWL, Sec. 14,  
 T-20-S, R-29-E, Eddy County, NM  
 Pool: Parkway South (Strawn)

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Sincerely,

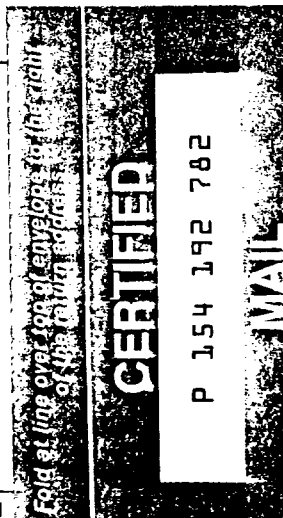


Tim Goudeau  
 Drilling and Production Engineer  
 TXO Production Corp.

P 154 192 782

**RECEIPT FOR CERTIFIED MAIL**  
NO RETURN ADDRESS PROVIDED  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

Sent to <b>Josephine Laughlin</b>	
Street and City <b>1400 W. Pecan</b>	
P.O. State and ZIP Code <b>Midland, TX 79701</b>	
Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt (checked) to whom and Date Delivered	
Return Receipt showing to whom, Date and Address of Delivery	
TOTAL Postage and Fees	
Postmark or Date <b>7-28-89</b>	



# TXO PRODUCTION CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

July 19, 1989

D. W. Underwood  
505 N. Big Spring, Suite 100  
Midland, Texas 79701

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

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Sincerely,



Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

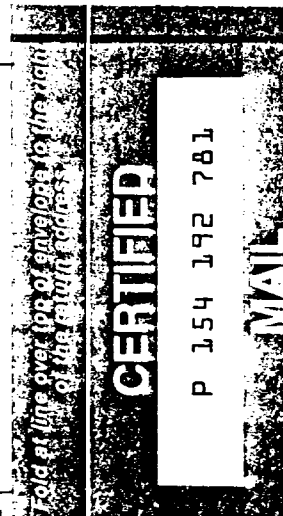
P 154 192 781

## RECEIPT FOR CERTIFIED MAIL

NO POSTAGE NECESSARY  
IF MAILED IN THE UNITED STATES

(See Reverse)

Sent to	D. W. Underwood
Street and No.	505 N. Big Spring, Suite 100
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	7-28-89



TXO PRODUCTION CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

July 19, 1989

J. C. Williamson  
P. O. Box 16  
Midland, Texas 79702

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

TXO Production Corp. plans to drill the subject well from the above surface location to the indicated targeted bottomhole location. This letter is in compliance with NMOC Rule No. 111 (c) and will serve as notice of application to drill and deviate the subject well. If you have any questions regarding this matter, please feel free to call me at (915) 682-7992.

Sincerely,

*Tim Goudeau*

Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

P 154 192 780

RECEIPT FOR CERTIFIED MAIL

NO POSTAGE  
NECESSARY  
IF MAILED  
IN THE  
UNITED STATES

(See Reverse)

Sent to	J. C. Williamson
Street and No.	P. O. Box 16
P.O.	Midland, TX 79702
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	7-28-89





TXO PRODUCTION CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

July 19, 1989

Davoil, Inc.  
P. O. Box 12507  
Fort Worth, Texas 76116

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

TXO Production Corp. plans to drill the subject well from the above surface location to the indicated targeted bottomhole location. This letter is in compliance with NMOC Rule No. 111 (c) and will serve as notice of application to drill and deviate the subject well. If you have any questions regarding this matter, please feel free to call me at (915) 682-7992.

Sincerely,

*Tim Goudeau*

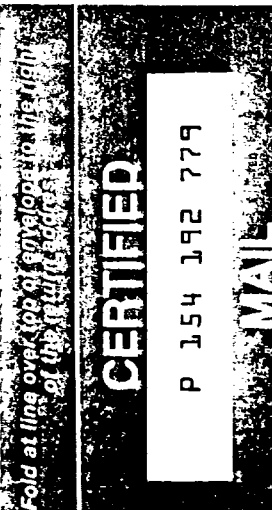
Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

P 154 192 779

RECEIPT FOR CERTIFIED MAIL

NO POSTAGE  
NECESSARY  
IF MAILED  
IN THE  
UNITED STATES  
(See Reverse)

Sent to Davoil, Inc.	
Street and No. P. O. Box 12507	
P.O. State and Zip Fort Worth, TX 76116	
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 7-28-89	



TXO PRODUCTION CORP.  
900 WILCO BUILDING  
MIDLAND, TEXAS 79701

July 19, 1989

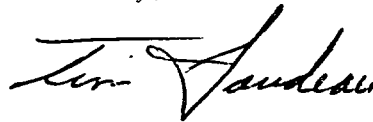
Barbara T. Fasken  
303 West Wall Ave., Suite 1901  
Midland, Texas 79701

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

TXO Production Corp. plans to drill the subject well from the above surface location to the indicated targeted bottomhole location. This letter is in compliance with NMOCD Rule No. 111 (c) and will serve as notice of application to drill and deviate the subject well. If you have any questions regarding this matter, please feel free to call me at (915) 682-7992.

Sincerely,



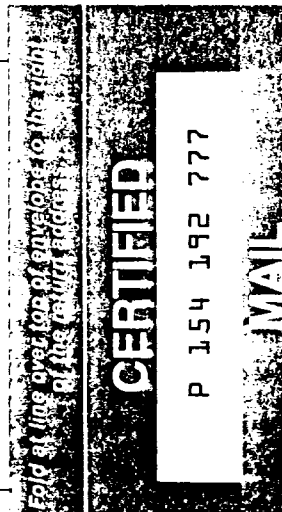
Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

P 154 192 777

RECEIPT FOR CERTIFIED MAIL

NO IN, ADD, CANCEL, ETC. TO BE MADE  
AFTER DEPARTURE FROM MAIL  
(See Reverse)

Sent to Barbara T. Fasken	
Street 303 W. Wall Ave., Ste. 1901	
P.O. State and Zip Code Midland, TX 79701	
Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt (money to whom and Date Delivered)	
Return Receipt (showing to whom Date and Address of Delivery)	
TOTAL Postage and Fees	\$
Postmark or Date	7-28-89



CERTIFIED

P 154 192 777

MAIL

TXO PRODUCTION CORP.  
900 WILCO BUILDING  
MIDLAND, TEXAS 79701

July 19, 1989

Great Western Drilling Company  
P. O. Box 1659  
Midland, TX 79702

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

TXO Production Corp. plans to drill the subject well from the above surface location to the indicated targeted bottomhole location. This letter is in compliance with NMOCD Rule No. 111 (c) and will serve as notice of application to drill and deviate the subject well. If you have any questions regarding this matter, please feel free to call me at (915) 682-7992.

Sincerely,



Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

P 167 611 631

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Great Western Drilling Co.	
Street and No. P. O. Box 1659	
P.O. State and ZIP Code Midland, TX 79702	
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 7-28-89	



TXO PRODUCTION CORP.  
900 WILCO BUILDING  
MIDLAND, TEXAS 79701

July 19, 1989

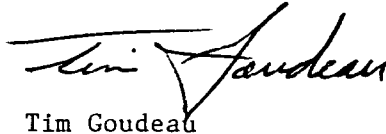
Cibola Energy Corp.  
P. O. Box 1668  
Albuquerque, New Mexico 87103

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

TXO Production Corp. plans to drill the subject well from the above surface location to the indicated targeted bottomhole location. This letter is in compliance with NMOCD Rule No. 111 (c) and will serve as notice of application to drill and deviate the subject well. If you have any questions regarding this matter, please feel free to call me at (915) 682-7992.

Sincerely,



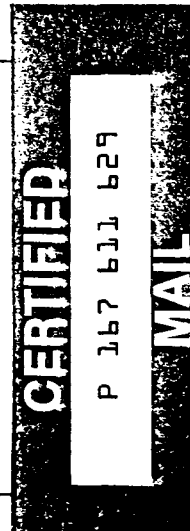
Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

P 167 611 629  
RECEIPT FOR CERTIFIED MAIL  
NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	Cibola Energy Corp.
Street and No.	O. Box 1668
P.O., State and ZIP Code	Albuquerque, NM 87103
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	7-28-89

PS Form 3800, Feb. 1982 \* U.S.G.P.O. 1984-446-014



TXO PRODUCTION CORP.

900 WILCO BUILDING  
MIDLAND, TEXAS 79701

July 19, 1989

Yates Petroleum Corp.  
105 S. 4th Street  
Artesia, New Mexico 88210

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

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Sincerely,



Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Yates Petroleum Corp.	
Street 105 S. 4th Street	
P.O., State and ZIP Code Artesia, NM 88210	
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	

7-28-89

CERTIFIED

P 167 611 630

MAIL

P 167 611 630

TXO PRODUCTION CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

July 19, 1989

Harvey E. Yates Company  
P. O. Box 1933  
Roswell, New Mexico 88202-1933

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

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Sincerely,

*Tim Goudeau*

Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

RECEIPT FOR CERTIFIED MAIL

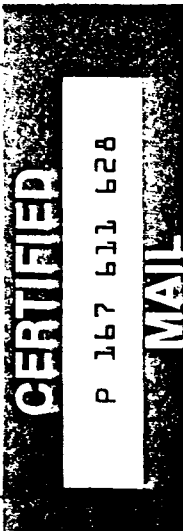
NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Harvey E. Yates Company	
Street and No. P. O. Box 1933	
P.O. State and ZIP Code Roswell, NM 88202-1933	
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 7-28-89	

\* U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982



P 167 611 628

TXO PRODUCTION CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

July 19, 1989

Toni W. Croft  
1511 "G" Street  
Anchorage, Alaska 99501-5031

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

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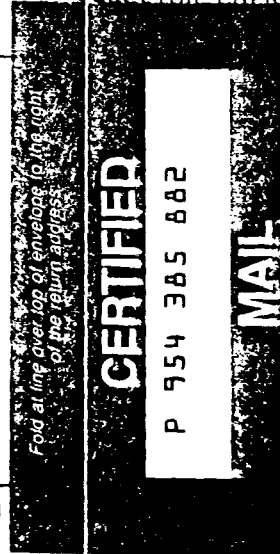
Sincerely,

*Tim Goudeau*

Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

Sent to	Toni W. Croft	
Street and No.	1511 "G" Street	
P.O. State and ZIP Code	Anchorage, Alaska 99501	
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	7-28-89	

PS Form 3800, June 1985



P 954 385 882

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

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

July 19, 1989

Ralph E. Williamson  
 P. O. Box 16  
 Midland, Texas 79702

Re: Burton Flat Federal #1  
 Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
 T-20-S, R-29-E, Eddy County, NM  
 Targeted Bottomhole  
 Location: 825' FNL & 1815' FWL, Sec. 14,  
 T-20-S, R-29-E, Eddy County, NM  
 Pool: Parkway South (Strawn)

Gentlemen:

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Sincerely,

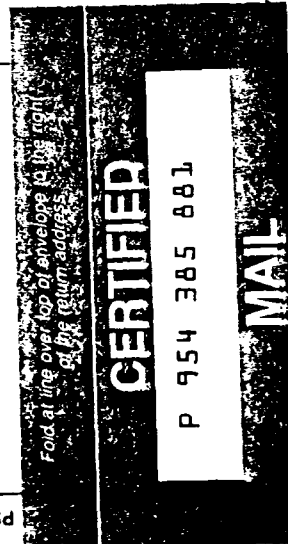


Tim Goudeau  
 Drilling and Production Engineer  
 TXO Production Corp.

P 954 385 881  
**RECEIPT FOR CERTIFIED MAIL**  
NO INSURANCE COVERAGE PROVIDED  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

Sent to <b>Ralph E. Williamson</b>	
Street and No. <b>P. O. Box 16</b>	
P.O. State and ZIP Code <b>Midland, TX 79702</b>	
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 <b>7-28-89</b>	

PS Form 3800, June 1985





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

July 19, 1989

Boyd Laughlin  
 1400 W. Pecan  
 Midland, Texas 79701

Re: Burton Flat Federal #1  
 Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
 T-20-S, R-29-E, Eddy County, NM  
 Targeted Bottomhole  
 Location: 825' FNL & 1815' FWL, Sec. 14,  
 T-20-S, R-29-E, Eddy County, NM  
 Pool: Parkway South (Strawn)

Gentlemen:

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Sincerely,

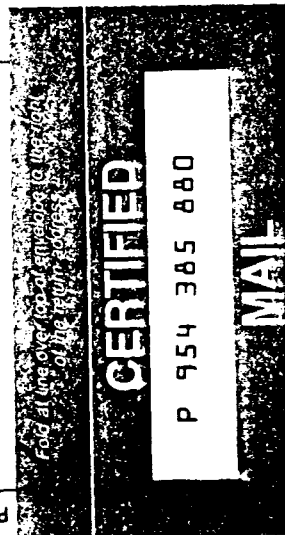


Tim Goudeau  
 Drilling and Production Engineer  
 TXO Production Corp.

**P 954 385 880**  
**RECEIPT FOR CERTIFIED MAIL**  
NO INSURANCE COVERAGE PROVIDED  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

Sent to	Boyd Laughlin
Street and No.	1400 W. Pecan
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	7-28-89

PS Form 3800, June 1985



TXO PRODUCTION CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

915/682-7992

July 19, 1989

Barnes Adelante Trust  
P. O. Box 505  
Midland, Texas 79702

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

TXO Production Corp. plans to drill the subject well from the above surface location to the indicated targeted bottomhole location. This letter is in compliance with NMOC Rule No. 111 (c) and will serve as notice of application to drill and deviate the subject well. If you have any questions regarding this matter, please feel free to call me at (915) 682-7992.

Sincerely,

*Tim Goudeau*

Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

P 954 385 879

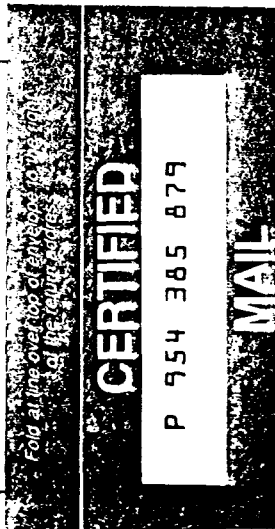
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	Barnes Adelante Trust
Street and No	P. O. Box 505
P.O. State and ZIP Code	Midland, TX 79702
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	7-28-89

PS Form 3800, June 1985



TXO PRODUCTION CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

July 19, 1989

Richard S. Brooks and wife, Annie May Brooks  
303 West Wall Ave., Suite 608  
Midland, Texas 79702

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

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Sincerely,

*Tim Goudeau*

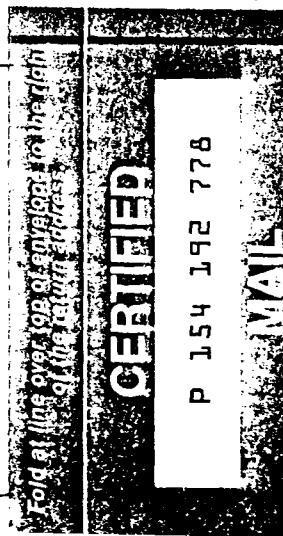
Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

P 154 192 778

RECEIPT FOR CERTIFIED MAIL

No Return Receipt for this mail.  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

Sent to	Richard S. Brooks
Street	303 W. Wall Ave.,
P.O. Suite	Suite 608
Postage	Midland, TX 79702
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt at no charge to whom and Date Delivered	
Return Receipt showing to whom Date and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	7-28-89



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

July 19, 1989

R. J. Ramsland  
Drawer 10505  
Midland, Texas 79702

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

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Sincerely,



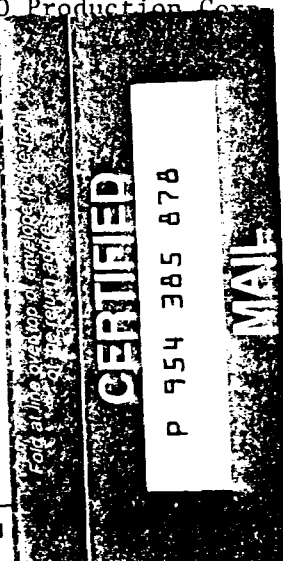
Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

P 954 365 878

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

Sent to R. J. Ramsland	
Street and No. Drawer 10505	
P.O. State and ZIP Code Midland, TX 79702	
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 7-28-89	

PS Form 3800, June 1985



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

July 19, 1989

Roger E. Canter  
2304 Maxwell  
Midland, Texas 79705

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

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Sincerely,

*Tim Goudeau*

Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

P 154 192 805

RECEIPT FOR CERTIFIED MAIL

NO POSTAGE  
NECESSARY  
IF MAILED  
IN THE  
UNITED STATES  
(See Reverse)

Sent to	Roger E. Canter
Street	2304 Maxwell
P.O. Box	Midland, TX 79705
Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt, showing to whom and Date Delivered	
Return Receipt, showing Date and Address of Delivery	
TOTAL Postage and Fees	
Postmark or Date	7-28-89

Fold at line over top of envelope to insert in  
at the bottom flap

**CERTIFIED**

P 154 192 805

**MAIL**

TXO PRODUCTION CORP.

900 WILCO BUILDING

MIDLAND, TEXAS 79701

915/682-7992

July 19, 1989

Marico Exploration Inc., et al  
c/o Yates Petroleum Corporation  
105 S. 4th Street  
Artesia, New Mexico 88210

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

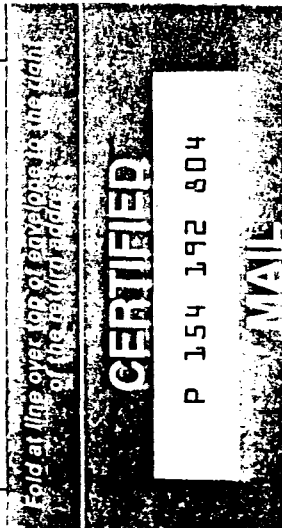
TXO Production Corp. plans to drill the subject well from the above surface location to the indicated targeted bottomhole location. This letter is in compliance with NMOC Rule No. 111 (c) and will serve as notice of application to drill and deviate the subject well. If you have any questions regarding this matter, please feel free to call me at (915) 682-7992.

Sincerely,

*Tim Goudeau*

Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

Sent to Marico Explor. Inc. et al c/o Yates Petroleum Corp. 105 S. 4th Street Artesia, NM 88210		Postage		Certified Fee		Special Delivery Fee		Restricted Delivery Fee		Return Receipt, including to whom and Date Delivered		Return Receipt, including to whom, Date and Address of Delivery		TOTAL Postage and Fees		Postmark or Date	
7-28-89																	



900 WILCO BUILDING  
MIDLAND, TEXAS 79701

Tenexplo Corporation, et al  
660 Two Energy Square  
Dallas, Texas 75205

Gentlemen:

Sincerely,

Tim Landauer

Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

Send to	
Tenexpro Corporation, et al	
660 Two Energy Square	
Dallas, TX 75205	
P.O. Box 100000	
Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt with to whom and Date Delivered	
Return Receipt with Return Date and Address of Recipient	
TOTAL Postage and Fees	
Postmark or Date	
7-28-89	

PS Form 3800, June 1985

Fold at line over top of envelope to the right  
of the return address.

**CERTIFIED**

P 154 192 803

**MAIL**

TXO PRODUCTION CORP.

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

July 19, 1989

Russell J. Ramsland, Jr.  
Claudia R. Burch  
P. O. Box 10505  
Midland, Texas 79702

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

TXO Production Corp. plans to drill the subject well from the above surface location to the indicated targeted bottomhole location. This letter is in compliance with NMOCD Rule No. 111 (c) and will serve as notice of application to drill and deviate the subject well. If you have any questions regarding this matter, please feel free to call me at (915) 682-7992.

Sincerely,

*Tim Goudeau*

Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

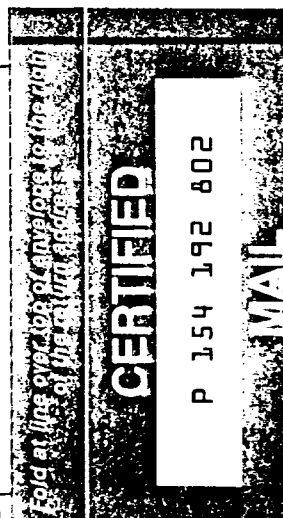
P 154 192 802

RECEIPT FOR CERTIFIED MAIL

NO ADDITIONAL CHARGE FOR POSTAGE  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Russell J. Ramsland, Jr. Street at 11: P. O. Box 10505 P. O. Box 10505 Midland, TX 79702	Postage	Certified Fee	Special Delivery Fee	Restricted Delivery Fee	Return Receipt sent to whom and Date Delivered	Return Receipt sent to whom Date and Address of Delivery	TOTAL Postage and Fees	Postmark or Date
								7-28-89





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

July 19, 1989

Claude F. Wynn  
P. O. Box 6832  
Houston, Texas 77265

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

TXO Production Corp. plans to drill the subject well from the above surface location to the indicated targeted bottomhole location. This letter is in compliance with NMOC Rule No. 111 (c) and will serve as notice of application to drill and deviate the subject well. If you have any questions regarding this matter, please feel free to call me at (915) 682-7992.

Sincerely,

*Tim Goudeau*

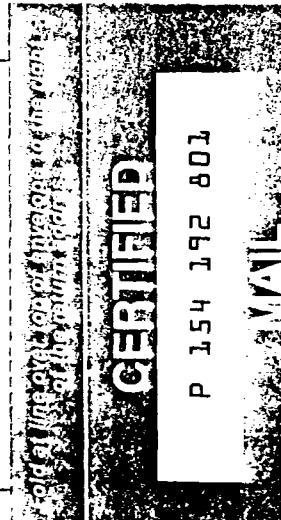
Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

P 154 192 801

RECEIPT FOR CERTIFIED MAIL

NO A RETURNED TO SENDER  
NOT FOR INFORMATIONAL MAIL  
(See Reverse)

Sent to	Claude F. Wynn
Street	P. O. Box 6832
P.O. Number	Houston, TX 77265
Postage	
Certified fee	
Special Delivery Fee	
Registration 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	7-26-89



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

July 19, 1989

W. F. Wynn, et al  
Preston State Bank Building, Suite 811  
8111 Preston Road  
Dallas, Texas 75205

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

TXO Production Corp. plans to drill the subject well from the above surface location to the indicated targeted bottomhole location. This letter is in compliance with NMOCD Rule No. 111 (c) and will serve as notice of application to drill and deviate the subject well. If you have any questions regarding this matter, please feel free to call me at (915) 682-7992.

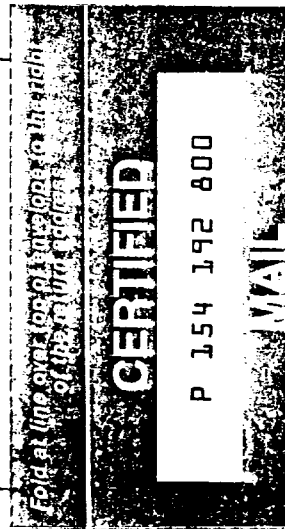
Sincerely,

*Tim Goudeau*

Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

Sent to W. F. Wynn, et al SPreston State Bank Bldg. Suite 811, 8111 Preston Rd. Dallas, TX 75205	
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 7-28-89	

PS Form 3800, June 1985



P 154 192 800

RECEIPT FOR CERTIFIED MAIL

NO IN-STATE CERTIFICATE REQUIRED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

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

July 19, 1989

Jane B. Ramsland  
P. O. Box 10689  
Midland, Texas 79702

Re: Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL, Sec. 11,  
T-20-S, R-29-E, Eddy County, NM  
Targeted Bottomhole  
Location: 825' FNL & 1815' FWL, Sec. 14,  
T-20-S, R-29-E, Eddy County, NM  
Pool: Parkway South (Strawn)

Gentlemen:

TXO Production Corp. plans to drill the subject well from the above surface location to the indicated targeted bottomhole location. This letter is in compliance with NMOC Rule No. 111 (c) and will serve as notice of application to drill and deviate the subject well. If you have any questions regarding this matter, please feel free to call me at (915) 682-7992.

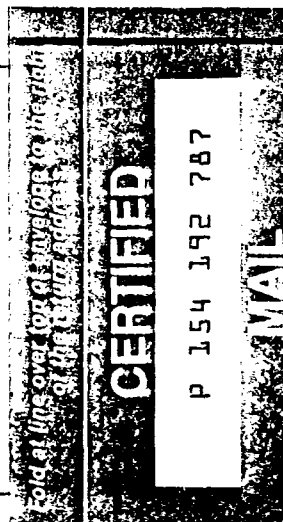
Sincerely,



Tim Goudeau  
Drilling and Production Engineer  
TXO Production Corp.

Send to		Jane B. Ramsland	
Street or P.O. Box		P. O. Box 10689	
City, State, and ZIP		Midland, TX 79702	
Postage			
Certified Fee			
Special Delivery Fee			
Return Receipt by First Class			
Return Receipt by Registered Mail			
Return Receipt by Certified Mail			
Date and Address of Delivery			
TOTAL Postage and Fees			
Postmark or Date			

7-28-89



P 154 192 787

RECEIPT FOR CERTIFIED MAIL

NO POSTAGE REQUIRED IF MAILED IN THE UNITED STATES

(See Reverse)

**HEYCO**

**PETROLEUM PRODUCERS**



**HARVEY E. YATES COMPANY**

P O BOX 1933

ONE SUNWEST CENTRE

505/623-6601

FAX 505/622-4221

ROSWELL, NEW MEXICO 88202-1933

**RECEIVED**

**AUG 28 1989**

**OIL CONSERVATION DIV.  
SANTA FE**

August 24, 1989

N. M. Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504

*Can 476-2*

Re: Objection to Deviated well  
TXO Production Company  
Burton Flat Fed. #1  
900' FSL & 1815' FWL  
Sec. 11, T-20-S, R-29-E  
Eddy Co., New Mexico

Gentlemen:

Harvey E. Yates Co. (HEYCO), objects to TXO's proposal to drill a deviated well at the cited location under the Parkway (Strawn) oil pool rules, with a bottom hole location in NW/4 of Sec. 14. HEYCO holds the adjacent suspended lease in the SW/4 of Sec. 14. We believe that either the lessee in the NE/4 or the SW/4 should be a working interest owner in TXO's well.

The presence of 10 Strawn gas producers in Sections 2 thru 16 of T-20-S, R-29-E, leads us to believe that expected production from TXO's well should be gas, and it should therefore be permitted on 320 acres. Only one poor Strawn oil well in Sec. 15 is allocated to the Parkway, South Strawn pool. This well is offset in Sec. 9, 11, and 16 by Strawn gas production.

We recommend all of Sec. 14 be unitized in order to minimize the high risk and high cost of drilling deviated wells in this area, and that the well be drilled to around 11,800 TVD to test the Morrow formation.

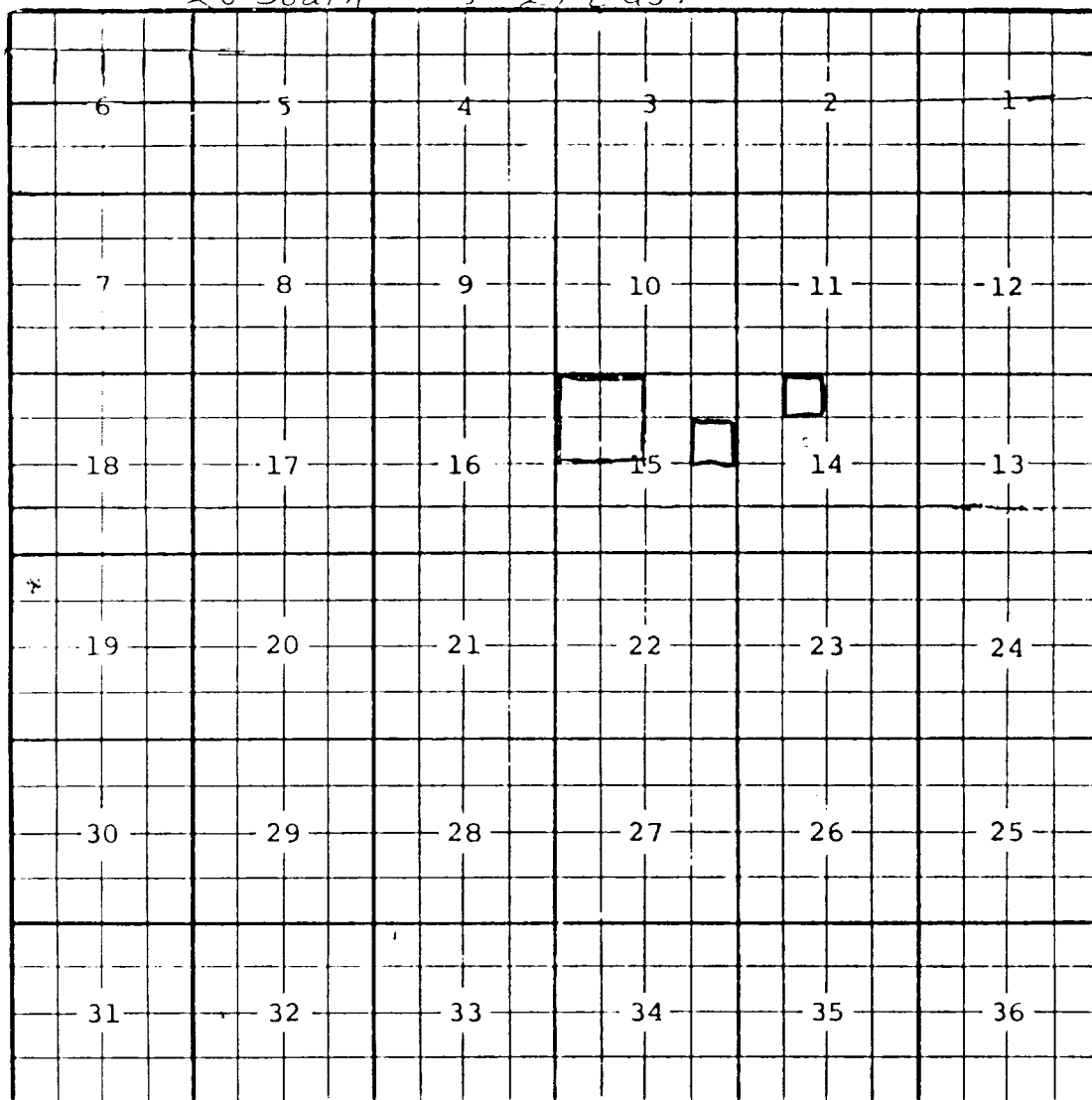
Sincerely,

*David B. Pearcy*  
David B. Pearcy  
Chief Geologist

Cy: TXO  
Yates Pet.

County Eddy Pool South Parkway-Strawn

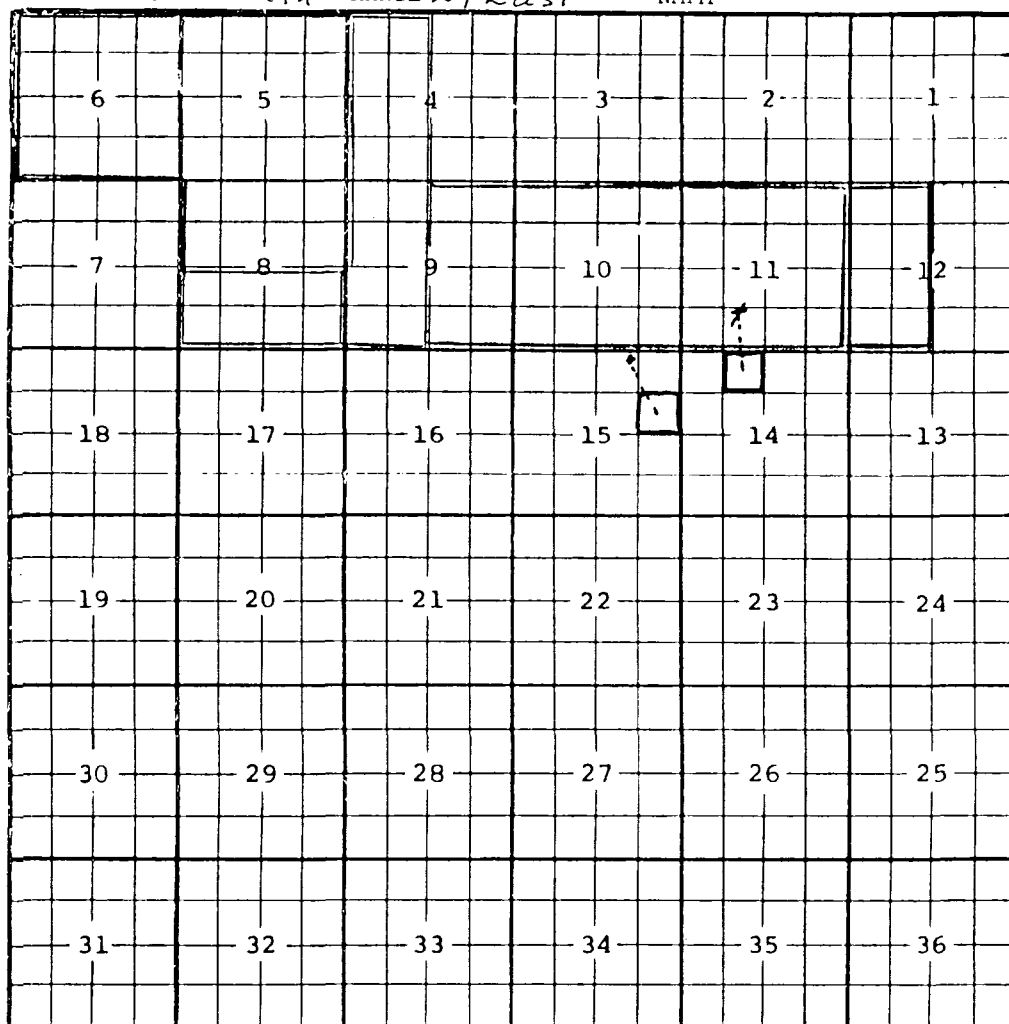
TOWNSHIP 20 South Range 29 East NMPM



Description: Sec: 15, NW/4 (R-7222, 2-25-83)

COUNTY EddyPOOL East Burton Flat - Strawn GasTOWNSHIP 20 SouthRANGE 29 East

NMFM



Description:  $\frac{5}{2}$  Sec 8 (R-5252, 9-1-76)

Ext:  $\frac{w}{2}$  Sec 4,  $\frac{w}{2}$  Sec 9 (R-5511, 9-1-77)

Ext:  $\frac{E}{2}$  Sec 9, All Sec. 10, All Sec. 11 (A-7158, 12-8-82)

Ext: All Sec. 5, All Sec. 6,  $\frac{N}{2}$  Sec. 8 (A-7307, 6-14-83) EXT:  $\frac{w}{2}$  sec 12 (R-8945, 5-31-89)

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
J. SCOTT HALL  
JOHN H. BEMIS  
WILLIAM P. SLATTERY  
MARTE D. LIGHTSTONE  
PATRICIA A. MATTHEWS

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

August 24, 1989

RECEIVED

HAND-DELIVERED

AUG 24 1989

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

OIL CONSERVATION DIVISION

Re: Applications of TXO Production Corp. for Directional  
Drilling:

Williamson Federal #6  
Surface Location: 1500' FEL, 100' FNL,  
Section 15, T-20-S, R-29-E, Eddy County, New Mexico  
Targeted Bottomhole Location: 1815' FNL and  
825' FEL, Section 15, T-20-S, R-29-E,  
Eddy County, New Mexico  
Pool: Parkway South (Strawn)

Burton Flat Federal #1  
Surface Location: 900' FSL, 1815' FWL,  
Section 11, T-20-S, R-29-E, Eddy County, New Mexico  
Targeted Bottomhole Location: 825' FNL and  
1815' FWL, Section 14, T-20-S, R-29-E,  
Eddy County, New Mexico  
Pool: Parkway South (Strawn)

Dear Mr. LeMay:

Yates Petroleum Corporation is an offset operator to each of the above-referenced wells and, pursuant to the provisions of Oil Conservation Division Rule 111, hereby objects to each of these applications.

Yates Petroleum Corporation is concerned about the appropriate spacing for each of the subject wells and, furthermore, believes that it may be more appropriate to include these wells in the Burton Flat East Strawn Pool instead of the Parkway South Strawn Pool as set forth in the applications of TXO.

William J. LeMay, Director  
August 24, 1989  
Page Two

Yates Petroleum Corporation requests that each of these applications be set for hearing before an Examiner of the Oil Conservation Division at the earliest possible date.

Very truly yours,

A handwritten signature in dark ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large initial "W" and a stylized "C".

WILLIAM F. CARR

WFC:mlh

cc: TXO Production Corp.  
Attn: Tim Goudeau, Drilling  
and Production Engineer  
900 Wilco Building  
Midland, Texas 79701