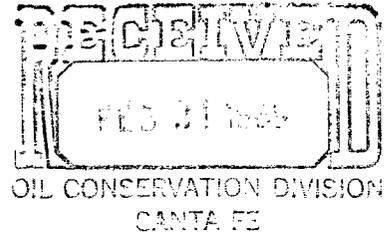


February 19, 1985



Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 8509

Re: Delta Fee "B" No. 1 Well
Township 22 South, Range 27 East, NMPM
Section 14: E/2
Eddy County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of TXO Production Corp. for Compulsory Pooling and an Unorthodox Location, Eddy County, New Mexico. Also enclosed is an Affidavit of Mailing reflecting the mailing of a true copy of the Application to Union Oil Company of California.

We ask that this matter be set for hearing at the Examiner Hearing of March 13, 1985, and that we be furnished with a docket of said hearing.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

Chad Dickerson

CD:pvm
Enclosures

cc w/enclosures: Mr. David Hundley

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
TXO PRODUCTION CORP. FOR COMPULSORY :
POOLING AND AN UNORTHODOX LOCATION, :
EDDY COUNTY, NEW MEXICO :
_____ :

CASE NO. 8509

APPLICATION

COMES NOW TXO Production Corp., by its attorneys, and
in support hereof, respectfully states:

1. Applicant is the operator of NE/4, E/2 SE/4 in
the Wolfcamp formation through the base of the Strawn formation,
underlying:

Township 22 South, Range 27 East, N.M.P.M.

Section 14: E/2

containing 320 acres, more or less,
and proposes to drill its Delta Fee "B" No. 1 Well at a point
located 1,980 feet from the east line and 990 feet from the north
line of said Section 14, to a depth sufficient to test the Strawn
formation, at approximately 10,700 feet.

2. The applicant seeks an exception to the well loca-
tion requirements of Rule 104 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 all formations
from the Wolfcamp through the base of the Strawn formation.

3. A standard 320-acre gas proration unit comprising the E/2 of said Section 14 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of gas.

4. Union Oil Company of California, P. O. Box 3100, Midland, Texas, 79701, owns an interest in the W/2 SE/4 of said Section 14, and has not agreed to pool its interest.

5. Applicant should be designated the operator of the well and the proration units.

6. To avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in said units the opportunity to recover or receive without unnecessary expense, his just and fair share of the oil and gas in said unit, all mineral interests, whatever they may be, from the Wolfcamp formation through the base of the Strawn formation underlying E/2 Section 14 should be pooled as to such oil or gas proration units as may be established as productive.

7. That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs, plus an additional 200% thereof as a reasonable charge for the risk involved in the drilling of the well.

8. Applicant should be authorized to withhold from production the proportionate share of a reasonable supervision

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

TXO PRODUCTION CORP.

By: *Chad Dickerson*
Chad Dickerson

DICKERSON, FISK & VANDIVER
Seventh and Mahone, Suite E
Artesia, New Mexico 88210
(505) 746-9841

Attorneys for Applicant

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IN THE MATTER OF THE APPLICATION OF :
TXO PRODUCTION CORP. FOR COMPULSORY :
POOLING AND AN UNORTHODOX LOCATION, :
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Township 22 South, Range 27 East, N.M.P.M.

Section 14: E/2

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charge for drilling and producing wells attributable to each non-consenting working interest owner.

9. 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 this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order pooling all mineral interests, whatever they may be, from the Wolfcamp formation through the base of the Strawn formation, underlying the E/2 Section 14, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, or such lesser portion as may be productive of oil and gas and dedicated to applicant's well.

C. That upon hearing the Division enter its order granting applicant permission to drill its Delta Fee "B" No. 1 Well at a point 1,980 feet from the east line and 990 feet from the north line of said Section 14, and to dedicate the E/2 of said Section 14 to said well.

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

TXO PRODUCTION CORP.

By: 
Chad Dickerson

DICKERSON, FISK & VANDIVER
Seventh and Mahone, Suite E
Artesia, New Mexico 88210
(505) 746-9841

Attorneys for Applicant

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
TXO PRODUCTION CORP. FOR COMPULSORY :
POOLING AND AN UNORTHODOX LOCATION, :
EDDY COUNTY, NEW MEXICO :
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Township 22 South, Range 27 East, N.M.P.M.

Section 14: E/2

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3. A standard 320-acre gas proration unit comprising the E/2 of said Section 14 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of gas.

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6. To avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in said units the opportunity to recover or receive without unnecessary expense, his just and fair share of the oil and gas in said unit, all mineral interests, whatever they may be, from the Wolfcamp formation through the base of the Strawn formation underlying E/2 Section 14 should be pooled as to such oil or gas proration units as may be established as productive.

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C. That upon hearing the Division enter its order granting applicant permission to drill its Delta Fee "B" No. 1 Well at a point 1,980 feet from the east line and 990 feet from the north line of said Section 14, and to dedicate the E/2 of said Section 14 to said well.

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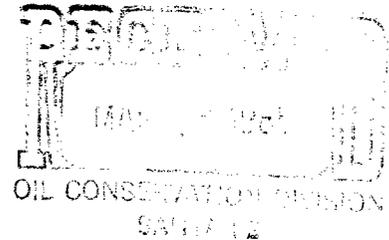
TXO PRODUCTION CORP.

By: *Chad Dickerson*
Chad Dickerson

DICKERSON, FISK & VANDIVER
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Artesia, New Mexico 88210
(505) 746-9841

Attorneys for Applicant

March 14, 1985



Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Delta Fee "B" No. 1 Well
Township 22 South, Range 27 East, NMPM
Section 14: E/2
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Case 8509

Gentlemen:

Enclosed for filing, please find three copies of the Amended Application of TXO Production Corp. for Compulsory Pooling and an Unorthodox Location, Eddy County, New Mexico. Also enclosed is an Affidavit of Mailing reflecting the mailing of true copies of the Amended Application to Union Oil Company of California and Monsanto Oil Corporation.

We ask that this matter be set for hearing at the Examiner Hearing of March 27, 1985, and that we be furnished with a docket of said hearing.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

Chad Dickerson

CD:pvm
Enclosures

cc w/enclosures: Mr. David Hundley

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Township 22 South, Range 27 East, N.M.P.M.

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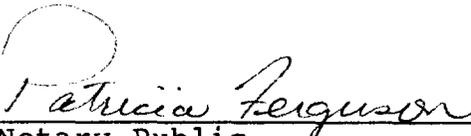
By: 
Chad Dickerson

DICKERSON, FISK & VANDIVER
Seventh and Mahone, Suite E
Artesia, New Mexico 88210
(505) 746-9841

Attorneys for Applicant

SUBSCRIBED AND SWORN TO before me this 14 day of
March, 1985.

My commission expires:
11-3-88



Notary Public