

August 9, 1988

Case 9470

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

Re: Township 17 South, Range 38 East, NMPM  
Section 2: W/2 SW/4  
Lea County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of TXO Production Corp. for Directional Drilling and an Unorthodox Well Location, Lea County, New Mexico. Also enclosed is an extra copy of the Application which we would appreciate your returning to us in the enclosed stamped self-addressed envelope after inserting the docket number.

Please set this matter for hearing before an Examiner on August 31, 1988.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvw  
Enclosures

cc w/enclosure: Ms. Carol Sledge

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

RECEIVED

AUG 11 1988

IN THE MATTER OF THE APPLICATION OF :  
TXO PRODUCTION CORP. FOR DIRECTIONAL :  
DRILLING AND AN UNORTHODOX WELL :  
LOCATION, LEA COUNTY, NEW MEXICO :  
\_\_\_\_\_ :

OIL CONSERVATION DIVISION  
CASE NO. 9470

APPLICATION

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

1. Applicant is the operator of all formations from  
the surface down to the base of the Atoka formation, underlying:

Township 17 South, Range 38 East, N.M.P.M.

Section 2: W/2 SW/4

containing 80 acres, more or less,  
and proposes to re-enter and deepen the abandoned Amoco Hooper  
No. 1 Well, located at a point 1,980 feet from the south line and  
610 feet from the west line (Unit L) of said Section 2, to a  
depth sufficient to test the Atoka formation, at approximately  
11,600 feet. Applicant proposes to directionally drill said well  
to come within 100 feet of a target bottomhole location of 1,250  
feet from the south line and 350 feet from the west line (Unit M)  
of said Section 2 in the Atoka formation, and to dedicate the  
SW/4 SW/4 of said Section 2 to the well.

2. In the event the re-entry of the Amoco Hooper No. 1 Well is impracticable, Applicant requests permission to move the rig to a location 1,250 feet from the south line and 350 feet from the west line (Unit M) of said Section 2, and to drill a vertical hole to a depth sufficient to test the Atoka formation, and to dedicate the SW/4 SW/4 of said Section 2 to the well.

3. The Applicant seeks an exception to the well location requirements of Rule 104 of the Oil Conservation Division to permit the completion of its well at the location set forth in 2 above, for all formations in SW/4 SW/4 Section 2 which may be developed on 40-acre spacing.

4. A standard 40-acre proration unit comprising the SW/4 SW/4 of said Section 2 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil and gas.

5. The approval of this Application will afford Applicant the opportunity to produce its just and equitable share of oil and 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 granting Applicant permission to re-enter the Amoco Hooper No. 1 Well, at a point located 1,980 feet from the south line and 610 feet from the west line of said Section 2 and to directionally drill said well to come within 100 feet of the target bottomhole location described in 1 above, and to dedicate the SW/4 SW/4 to said well for production from all formations which may be developed on 40-acre spacing; or, in the event such re-entry proves impracticable, granting Applicant permission to move its rig to a point located 1,250 feet from the south line and 350 feet from the west line of said Section 2, to vertically drill said well, and to dedicate the SW/4 SW/4 to said well for production from all formations which may be developed on 40-acre spacing.

C. 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

August 11, 1988

*Case No. 9470*

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

Re: Township 17 South, Range 38 East, NMPM  
Section 2: W/2 SW/4  
Lea County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Amended Application of TXO Production Corp. for Directional Drilling and an Unorthodox Well Location, Lea County, New Mexico. This amends the application sent to your office for filing on August 9, 1988.

This matter has been set for hearing before an Examiner on August 31, 1988, and we would appreciate your reviewing both the original and amended applications and notifying us prior to such hearing date whether there will be a need to readvertise.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

  
Chad Dickerson

CD:pvw  
Enclosures

cc w/enclosure: Ms. Carol Sledge

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
TXO PRODUCTION CORP. FOR DIRECTIONAL :  
DRILLING AND AN UNORTHODOX WELL :  
LOCATION, LEA COUNTY, NEW MEXICO :  
\_\_\_\_\_ :

CASE NO. 9470

AMENDED APPLICATION

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

1. Applicant is the operator of all formations from  
the surface down to the base of the Atoka formation, underlying:

Township 17 South, Range 38 East, N.M.P.M.

Section 2: W/2 SW/4

containing 80 acres, more or less,  
and proposes to re-enter and deepen the abandoned Amoco Hooper  
No. 1 Well, located at a point 1,980 feet from the south line and  
610 feet from the west line (Unit L) of said Section 2, to a  
depth sufficient to test the Atoka formation, at approximately  
11,600 feet. Applicant proposes to directionally drill said well  
to come within 100 feet of the following target locations:

- (a) In the Strawn formation - 1,250 feet from the  
south line and 350 feet from the west line of said  
Section 2; and
- (b) In the Atoka formation - 1,131 feet from the south  
line and 308 feet from the west line of said Sec-  
tion 2,

and to dedicate the SW/4 SW/4 of said Section 2 to the well.

2. In the event the re-entry of the Amoco Hooper No. 1 Well is impracticable, Applicant requests permission to move the rig to a location 1,131 feet from the south line and 308 feet from the west line (Unit M) of said Section 2, and to drill a vertical hole to a depth sufficient to test the Atoka formation, and to dedicate the SW/4 SW/4 of said Section 2 to the well.

3. The Applicant seeks an exception to the well location requirements of Rule 104 of the Oil Conservation Division to permit the completion of its well at the location set forth in 2 above, for all formations in SW/4 SW/4 Section 2 which may be developed on 40-acre spacing.

4. A standard 40-acre proration unit comprising the SW/4 SW/4 of said Section 2 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil and gas.

5. The approval of this Application will afford Applicant the opportunity to produce its just and equitable share of oil and 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 granting Applicant permission to re-enter the Amoco Hooper No. 1 Well, at a point located 1,980 feet from the south line and 610 feet from the west line of said Section 2 and to directionally drill said well to come within 100 feet of the target locations described in 1 above, and to dedicate the SW/4 SW/4 to said well for production from all formations which may be developed on 40-acre spacing; or, in the event such re-entry proves impracticable, granting Applicant permission to move its rig to a point located 1,131 feet from the south line and 308 feet from the west line of said Section 2, to vertically drill said well, and to dedicate the SW/4 SW/4 to said well for production from all formations which may be developed on 40-acre spacing.

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

TXO PRODUCTION CORP.

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