

August 18, 1988

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

RECEIVED
OIL CONSERVATION DIVISION
AUG 22 1988
SANTA FE, N.M.

Re: Township 17 South, Range 37 East, NMPM
Section 13: E/2 SE/4
Lea County, New Mexico

Gentlemen:

Case 9479

Enclosed for filing, please find three copies of the Application of TXO Production Corp. for Compulsory Pooling, 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 September 14, 1988.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:kp
Enclosures

cc w/enclosure: Mr. John Gilbert

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
TXO PRODUCTION CORP. FOR COMPULSORY :
POOLING, LEA COUNTY, NEW MEXICO :
_____ :

(9455)
CASE NO. 9479

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 through the Atoka formation, underlying:

Township 17 South, Range 37 East, N.M.P.M.

Section 13: E/2 SE/4

containing 80 acres, more or less,
and proposes to drill its Norris "B" No. 1 Well at a point
located 1310 feet from the south line and 660 feet from the east
line of Section 13.

2. A standard 80-acre oil proration unit comprising
the E/2 SE/4 Section 13 should be dedicated to such well or to
such lesser portion thereof as is reasonably shown to be
productive of oil from the undesignated South Humble City Strawn
or undesignated Humble City Atoka Pools, and a standard 40-acre
proration unit comprising the SE/4 SE/4 (Unit P) of said Section
13 should be dedicated to such well or to such lesser portion
thereof as is reasonably shown to be productive of oil from any
formation developed on 40 acre spacing.

3. The following interest owners in the proration unit have not agreed to pool their interest:

Inexco Oil Company
700 Louisiana, No. 2100
Houston, Texas 77002

A. H. 1980 Program, Inc.
c/o Amerada Hess Corporation
1200 Milam
Houston, Texas 77002-5681
ATTENTION: Peter Bacon

David Petroleum Corporation
116 West First Street
Roswell, New Mexico 88201

Colin R. McMillan
118 West First Street
Roswell, New Mexico 88201

Nadine Prideaux Loveless Smith
P. O. Box 566
Roswell, New Mexico 88201

Fred J. Schlicher
P. O. Box 606
Roswell, New Mexico 88201

Carolyn Loveless Schlicher
P. O. Box 606
Roswell, New Mexico 88201

Lucinda Loveless Herschenhorn
419 West Wellington, No. 1
Chicago, Illinois 60657

Rebel Oil Company
603 Seco Drive
Hobbs, New Mexico 88240

4. Applicant should be designated the operator of the well and the proration unit.

5. To avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in said unit 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, should be pooled.

6. Any non-consenting working interest owner that does not pay its share of estimated well costs should have withheld from production its 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.

7. Applicant should be authorized to withhold from production the proportionate share of a reasonable supervision charge for drilling and producing wells attributable to each non-consenting working interest owner.

8. 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 pooling all mineral interests, whatever they may be in the undesignated South Humble City Strawn or undesignated Humble City Atoka Pools underlying E/2 SE/4 Section 13, Township 17 South,

Range 37 East, N.M.P.M., and in all formations which may be developed on 40 acre spacing underlying SE/4 SE/4 said Section 13.

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

TXO PRODUCTION CORP.

By: 
Chad Dickerson

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

Attorneys for Applicant