



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

July 20, 1984

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Losee, Carson & Dickerson, P.A.
P. O. Drawer 239
Artesia, New Mexico 88211-0239

Attention: Chad Dickerson

Re: Case No. 8237
Order No. R-7583

Dear Mr. Dickerson:

This is in reference to your letter dated July 11, 1984, concerning the procedure of the New Mexico Oil Conservation Division in the event the well drilled by TXO Production Corp. is outside of the target area as prescribed in the subject Order. In the past it has been the procedure of the NMOCD to set a new hearing seeking the amendment to the previous order and when the amended location was for a less unorthodox location, then the hearing consists of calling for appearances and in the absence of objection the case is taken under advisement and is then approved.

I apologize for not being clearer on this procedure during our telephone conversation. If you have any further questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Michael E. Stogner".

MICHAEL E. STOGNER
Petroleum Engineer

MES/fd

LAW OFFICES

LOSEE, CARSON & DICKERSON, P. A.

A. J. LOSEE
JOEL M. CARSON
CHAD DICKERSON
DAVID R. VANDIVER
ELIZABETH LOSEE
REBECCA DICKERSON

300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239

AREA CODE 505
746-3508

July 11, 1984

Mr. Michael E. Stogner, Examiner
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 8237
Order No. R-7583

Dear Mr. Stogner:

As we discussed, TXO Production Corp. is concerned about the possibility that engineering difficulties could arise in drilling the subject well directionally which would result in the hole encountering the prospective zones outside the 25 foot radius of the target. TXO is aware that by reason of the unorthodox location proposed, it is required to encroach no closer than the Order permits toward the north and east lease lines and intends to abide by that limitation.

However, if the hole deviates to the south or west (thus becoming more orthodox), although not within the 25 foot radius target circle, TXO would seek approval of such actual location from your office.

Will you confirm my understanding that in this event, upon re-advertisement of the actual location as drilled, and in the absence of objection, TXO's true bore hole location would be permitted under an amendment to Order No. R-7583?

Since if this occurs the well will be more toward an orthodox location than the original application sought, I do not see how anyone could object, but would like to know that you view the situation as I do.

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.



Chad Dickerson

CD:pvm
Enclosures

cc: Mr. David M. Hundley

LAW OFFICES

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A. J. LOSEE
JOEL M. CARSON
CHAD DICKERSON
DAVID R. VANDIVER
ELIZABETH LOSEE
REBECCA DICKERSON

June 8, 1984

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

Re: Case No. 8237
TXO Production Corp.
6/20/84 Examiner Hearing

Gentlemen:

Enclosed for filing in the captioned case, please find two Affidavits of Mailing reflecting the mailing of true copies of the Application to all non-consenting mineral interest owners and all offset operators and leasehold owners.

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.



Chad Dickerson

CD:pvm
Enclosures

cc: Mr. Randy Click

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
TXO PRODUCTION CORP. FOR DIRECTIONAL :
DRILLING, AN UNORTHODOX LOCATION, : CASE NO. 8237
AND COMPULSORY POOLING, EDDY COUNTY, :
NEW MEXICO :
_____ :

AFFIDAVIT OF MAILING

STATE OF NEW MEXICO)
 : ss.
COUNTY OF EDDY)

The undersigned, being first duly sworn, upon oath, states that on the 8th day of June, 1984, the undersigned did mail in the United States Post Office at Artesia, New Mexico, true copies of the Application of TXO Production Corp. for Directional Drilling, an Unorthodox Location, and Compulsory Pooling, which seeks, among other things, an order pooling all mineral interests from the top of the Wolfcamp to the base of the Morrow formation underlying the N/2 Section 30, Township 21 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, in securely sealed postage prepaid envelopes, addressed to the following named persons:

<u>NAME</u>	<u>ADDRESS</u>
Glen Edward Brunt	403 South High Eureka, KS 67054
Mr. and Mrs. M. Don Kidd	118 Cherry Lane Carlsbad, NM 88220

Verna Fay Rose

1513 Bristol Drive
Montrose, CO 81401

Eddie Carol Stevens

2025 Cedar Creek Road
North Little Rock, AR 72116

James W. Brunt

607 West Colfax
Carlsbad, NM 88220

Jerry Ray Brunt

Route 1, Box 36
Carlsbad, NM 88220



Patti Menefee

SUBSCRIBED AND SWORN TO before me this 8th day of June,
1984.



Notary Public

My commission expires:
1-9-88

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

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

CASE NO. 8237

AFFIDAVIT OF MAILING

STATE OF NEW MEXICO)
 : ss.
COUNTY OF EDDY)

The undersigned, being first duly sworn, upon oath, states that on the 8th day of June, 1984, the undersigned did mail in the United States Post Office at Artesia, New Mexico, true copies of the Application of TXO Production Corp. for Directional Drilling, an Unorthodox Location, and Compulsory Pooling, in securely sealed postage prepaid envelopes, addressed to the following named persons:

<u>NAME</u>	<u>ADDRESS</u>
Exxon Corporation Attn: Andy Foraker	P. O. Box 1600 Midland, Texas 79702
Amoco Production Company	501 West Lake Park Blvd. Houston, Texas 77253
Challenger Minerals, Inc. Attn: T. D. Lowry	P. O. Box 60120 Houston, Texas 77205
Cities Service Oil & Gas Corporation Attn: Danny Kidwell	P. O. Box 1919 Midland, Texas 79702
Flag Redfern Oil Company Attn: John O'Brien	1200 Wall Towers West Midland, Texas 79701

Pioneer Production Corp.

1303 First National Bank Bldg.
Midland, Texas 79701

Clarkyle, Ltd.

P. O. Box 1973
Roswell, New Mexico 88201

Patti Menefee
Patti Menefee

SUBSCRIBED AND SWORN TO before me this 8th day of June,
1984.

Rebecca J. Dickson
Notary Public

My commission expires:

1/9/88