

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 : CASE NO. _____
_____ :

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 base of the Queen formation, underlying:

Township 18 South, Range 38 East, N.M.P.M.

Section 14: NW/4 NE/4

containing 40 acres, more or less,
and proposes to drill its Taylor "N" No. 1 Well at a point located
660 feet from the north line and 1,980 feet from the east line
of Section 14.

2. A standard 40-acre proration unit comprising the
NW/4 NE/4 Section 14 should be dedicated to such well or to such
lesser portion thereof as is reasonably shown to be productive of
oil and gas.

3. Cities Service Oil & Gas Corporation, P. O. Box
1919, Midland, Texas, 79702, owns an interest in the proration
unit and has not agreed to pool its interest.

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, its just and fair share of the oil and gas in said unit, all mineral interests, whatever they may be, from the surface through the base of the Queen formation underlying Section 14 should be pooled.

6. That 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, from the surface through the base of the Queen formation, underlying the NW/4 NE/4 Section 14, Township 18 South, Range 38 East, N.M.P.M., Lea County, New Mexico.

C. 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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TXO PRODUCTION CORP. FOR COMPULSORY :
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CASE NO. § 784

APPLICATION

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and proposes to drill its Taylor "N" No. 1 Well at a point located 660 feet from the north line and 1,980 feet from the east line of Section 14.

2. A standard 40-acre proration unit comprising the NW/4 NE/4 Section 14 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of oil and gas.

3. Cities Service Oil & Gas Corporation, P. O. Box 1919, Midland, Texas, 79702, owns an interest in the proration unit and has not agreed to pool its interest.

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, its just and fair share of the oil and gas in said unit, all mineral interests, whatever they may be, from the surface through the base of the Queen formation underlying Section 14 should be pooled.

6. That 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.

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