

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF TXO PRODUCTION CORPORATION FOR
COMPULSORY POOLING AND DIRECTIONAL
DRILLING, LEA COUNTY, NEW MEXICO.

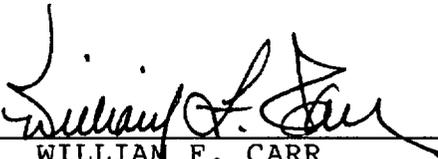
CASE NO. 9233

ENTRY OF APPEARANCE

COMES NOW CAMPBELL & BLACK, P.A., and hereby enters its
appearance in the above-referenced case on behalf of Bill
Seltzer.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

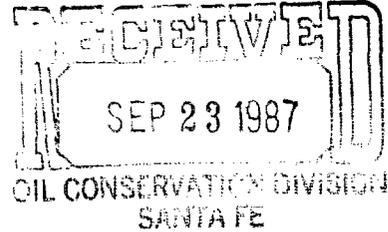
By: 

WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

ATTORNEYS FOR BILL SELTZER

Case No. 9233

September 16, 1987



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

Re: Hightower No. 1 Re-Entry
Township 17 South, Range 37 East, NMPM
Section 4: Lot 1, SE/4 NE/4 (E/2 NE/4)
Lea County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of TXO Production Corp. for Compulsory Pooling and Directional Drilling, Lea County, New Mexico.

We ask that this matter be set for hearing before an Examiner on October 7, 1987, and that we be furnished with a docket of said hearing.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER


Chad Dickerson

CD:pv
Enclosures

cc w/enclosure: 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 DIRECTIONAL DRILLING, :
LEA COUNTY, NEW MEXICO :

CASE NO. 9233

APPLICATION

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

1. Applicant is the operator of undivided interests
in all formations from the surface down to the base of the Strawn
formation, underlying:

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

Section 4: Lot 1 (NE/4 NE/4), SE/4 NE/4

containing 80.95 acres, more or less,

and proposes to re-enter and deepen the Hightower No. 1 Well,
located at a point 660 feet from the east line and 810 feet from
the north line of said Section 4, to a depth sufficient to test
the Strawn formation, at approximately 11,400 feet.

2. Such location is within one mile of the boundaries
of the Shipp-Strawn Pool, and under such rules a Strawn well must
be located within 150 feet of the center of a governmental
quarter-quarter section. Applicant proposes to directionally
drill said well to come within 150 feet of the center of Lot 1
(NE/4 NE/4), Section 4, Township 17 South, Range 37 East,

N.M.P.M., at an orthodox location under the Shipp-Strawn Pool Rules.

3. The following named parties are all the operators of proration or spacing units offsetting the unit for which the permit to deviate is sought:

Pennzoil Company
P. O. Box 2967
Houston, Texas 77252-2967
Attention: Greg Davis

Amerind Oil Company
500 Wilco Building
Midland, Texas 79701

Mesa Operating Limited Partnership
P. O. Box 2009
Amarillo, Texas 79189
Attention: Mark Seale

Union Texas Petroleum
P. O. Box 2120
Houston, Texas 77252
Attention: Leal Henning

The above named parties have been notified of the Application by certified mail, return receipt requested, as provided in Rule 111 of the Rules and Regulations of the New Mexico Oil Conservation Division.

4. There are interest owners in the unit who have not agreed to pool their interests, and the names and addresses of such parties are as follows:

Pennzoil Company
P. O. Box 2967
Houston, Texas 77252-2967
Attention: Greg Davis

Amerind Oil Company
500 Wilco Building
Midland, Texas 79701

Mobil Producing Texas and New Mexico, Inc.
P. O. Box 633
Midland, Texas 79702
Attention: Bob Dejmal

Hondo Oil and Gas Company
105 West Third, Suite 428
Roswell, New Mexico 88201
Attention: Gene Wentworth

Jack D. Hightower
P. O. Box 11227
Midland, Texas 79702

Charles S. Hunter
P. O. Box 1708
Midland, Texas 79702

W. B. Osborne Oil and Gas Operations
P. O. Box 8-C
San Antonio, Texas 78286

Coates Energy Trust
P. O. Box 171717
San Antonio, Texas 78217

Elizabeth H. Maddux
P. O. Box 171717
San Antonio, Texas 78217

Sun Exploration and Production Company
P. O. Box 2880
Dallas, Texas 75221-2880
Attention: Steve Gillett

James R. Leeton, Trustee
505 North Big Spring, Suite 404
Midland, Texas 79701

J. H. Van Zant, II
1730 Commerce Building
308 West Seventh
Fort Worth, Texas 76102

Apcot-Finadel Joint Venture
P. O. Box 2990
Midland, Texas 79702
Attention: Robert Dempsey

Spear Brothers Sheep and Cattle Company
P. O. Drawer 309
Hobbs, New Mexico 88240

E. B. White, Jr.
P. O. Box 2052
Midland, Texas 79702

Barbara T. Fasken
300 West Wall, Suite 1901
Midland, Texas 79701
Attention: Bill Patterson

Margaret Ann Miller Carrico
P. O. Box 162135
Austin, Texas 78716-2135

Harry A. Miller, III
2403 Ben White Boulevard
Austin, Texas 78704

Harry A. Miller, Jr.
600 First National Bank Building
Midland, Texas 79701

Max W. Coll, II
P. O. Box 1818
Roswell, New Mexico 88201

James N. Coll
P. O. Box 1818
Roswell, New Mexico 88201

Charles H. Coll
P. O. Box 1818
Roswell, New Mexico 88201

Jon F. Coll
P. O. Box 1818
Roswell, New Mexico 88201

Sohio Petroleum Company
9401 Southwest Freeway, Suite 1200
Houston, Texas 77074
Attention: Jim Sikes

J. R. McGinley, Jr.
P. O. Box 3405
Tulsa, Oklahoma 74101

Lanroy, Inc.
P. O. Box 3405
Tulsa, Oklahoma 74101

Cleroy, Inc.
P. O. Box 3405
Tulsa, Oklahoma 74101

Jeanne Van Zant Sanders
Sinclair Building, Suite 508
106 West Fifth Street
Fort Worth, Texas 76102

Texaco Producing, Inc.
P. O. Box 3109
Midland, Texas 79702
Attention: Curtis Smith

John F. Hunter
1633 Arrowhead Drive
Flower Mound, Texas 78028

Conoco, Inc.
P. O. Box 460
Hobbs, New Mexico 88240
Attention: Boyd Nelson

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

6. 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,

within the Strawn formation, underlying Lot 1, SE/4 NE/4 (E/2 NE/4) Section 4, or such lesser portion thereof as may be dedicated to the spacing unit, Township 17 South, Range 37 East, N.M.P.M., and all mineral interests, whatever they may be, underlying Lot 1 (NE/4 NE/4) of said Section 4, in the event said well is completed in a 40-acre oil pool, should be pooled.

7. 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.

8. 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.

9. Applicant should be authorized to directionally drill its well to come within 150 feet of the center of Lot 1 (NE/4 NE/4), Section 4, Township 17 South, Range 37 East, N.M.P.M.

10. 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 the Division enter its order pooling all all mineral interests, whatever they may be, within the Strawn formation, underlying Lot 1, SE/4 NE/4 (E/2 NE/4) Section 4, or such lesser portion thereof as may be dedicated to the spacing unit, Township 17 South, Range 37 East, N.M.P.M., and all mineral interests, whatever they may be, underlying Lot 1 (NE/4 NE/4) of said Section 4, in the event said well is completed in a 40-acre oil pool, or such lesser portion as may be productive of oil and gas and dedicated to Applicant's well.

C. That the Division enter its order authorizing Applicant to directionally drill its well to come within 150 feet of the center of Lot 1 (NE/4 NE/4), Section 4, Township 17 South, Range 37 East, N.M.P.M.

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