

Dear Mr. Ramey:

Please find enclosed for filing, two (2) copies of the Application of TXO Production Corp. for administrative approval for an unorthodox gas well location in Eddy County, New Mexico.

If for any reason you have any questions, please do not hesitate to contact me at the above address or by calling 915/682-7992.

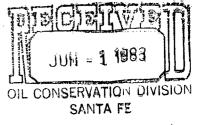
Very trilly yours RANDY CLICK Landman

RC/1s Enclosures

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TEXAS OIL & GAS CORP.

900 WILCO BUILDING MIDLAND, TEXAS 79701



May 19, 1983

New Mexico Oil Conservation Dept. P.O. Box 2088 Santa Fe, New Mexico 87501 Re: Application for Unorthodox Location for TXO #5 Yates Federal 990' FSL & 1980' FWL Section 17, T-20-S, R-29-E Eddy County, New Mexico

Attn: Richard L. Stamets

Gentlemen:

The TXO #5 Yates Federal is a proposed Upper Morrow test to be located approximately twelve miles northeast of Carlsbad, within the Burton Flat, East (Morrow) Pool, in Eddy County, New Mexico.

The primary objectives of the TXO #5 Yates Federal are Morrow sands (Pennsylvanian), which stratigraphically trap production. The Morrow in this area occurs as north-northwest to south-southeast trending channels. Production is locally controlled via degree of sand development.

The TXO #5 Yates Federal is located between two key wells. The TXO #3 Yates Federal, located 2550 feet north-northwest of the proposed location, encountered not Morrow sand totaling 66 feet. The Upper Morrow has produced 2276 MMCFG + 11,387 BC to date and is currently flowing 15 MCFGPD with a flowing tubing pressure of 110 psi. The Yates #1 Stebbins "GQ" Com., located 2100 feet south-southeast of the proposed location, encountered a total of 54 feet of net Morrow sand. The Morrow in this well has produced 1958 MMCFG + 9442 BC to date.

The #3 Yates Federal is currently non-commercial and pending plugging and abandonment. Reservoir engineering has indicated that the acreage immediately surrounding this well has been severely depleted. The recommended location will encounter the highest reservoir pressure and will most effectively drain the reservoir, thus preventing waste. If TXO Production Corp. were to drill the #5 Yates Federal at an orthodox location, however, it would have little or no chance of encountering oil or gas in this reservoir in quantities sufficient to pay the cost of drilling and operating the well with a reasonable profit. It is therefore recommended that TXO Production Corp. be granted an unorthodox location of 990' FSL & 1980' FWL, Section 17, T-20-S, R-29-E, Eddy County, New Mexico, for the TXO #5 Yates Federal.

John E. Tarbox Geologist

JET/cc

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF TXO PRODUCTION CORP. FOR ADMINISTRA-TIVE APPROVAL OF AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO

CASE NO.

APPLICATION

COMES NOW TXO Production Corp., and respectfully states:

:

1. Applicant is the Operator of the Morrow Formation, underlying:

Township-20-South, Range-29-East, N.M.P.M.

Section 17: W/2

containing 320 acres, more or less,

and proposes to drill its Yates Federal #5 Well at a point located 990 feet from the south line and 1980 feet from the west line of Section 17.

2. The applicant seeks an exception to the well location requirements of Rule 104-C.II(a) of the Oil Conservation Division to permit the drilling of the well at the above-mentioned unorthodox location to a depth sufficient to adequately test the Morrow Formation.

3. This Application for Administrative Approval is accompanied by plats, showing the ownership of all leases offsetting the proration or spacing unit for which the unorthodox location is sought, and also all wells completed thereon, and by appropriate geologic maps, cross-sections, and/or logs, and a discussion of the geologic conditions which result in the necessity for the unorthodox location, all of which are attached hereto as Exhibit "A". 4. A standard 320-acre gas proration unit comprising the W/2 of said Section 17 should be dedicated to such well or to such lesser portion thereof as is reasonably shown to be productive of gas.

5. All operators of proration or spacing units offsetting the unit for which the unorthodox location is sought have been notified of the application by certified or registered mail.

6. The approval of this application will afford applicant the opportunity to produce its just and equitable share of 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 upon hearing the Division enter its order granting applicant permission to drill its Yates Federal #5 Well at a point 990 feet from the south line and 1980 feet from the west line of said Section 17, and to dedicate the W/2of Section 17, which is reasonably presumed to be productive of gas from the Morrow Formation to said well.

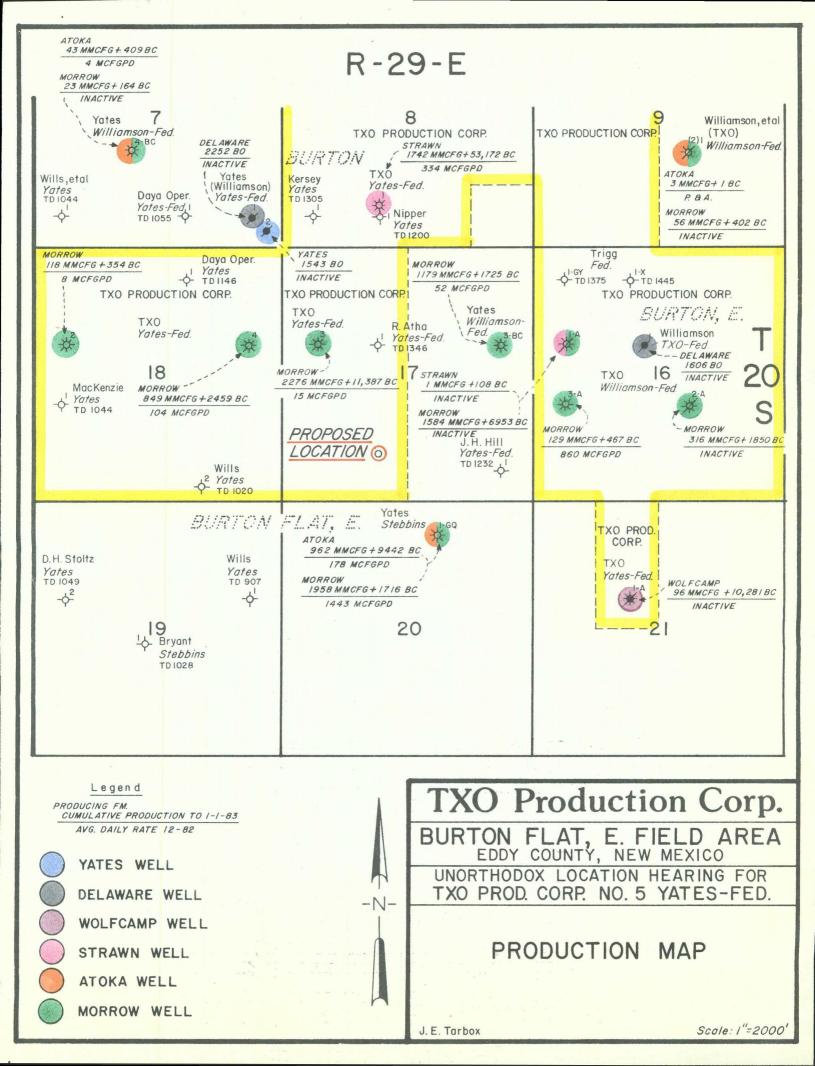
B. And for such other and further relief as may be just in the premises.

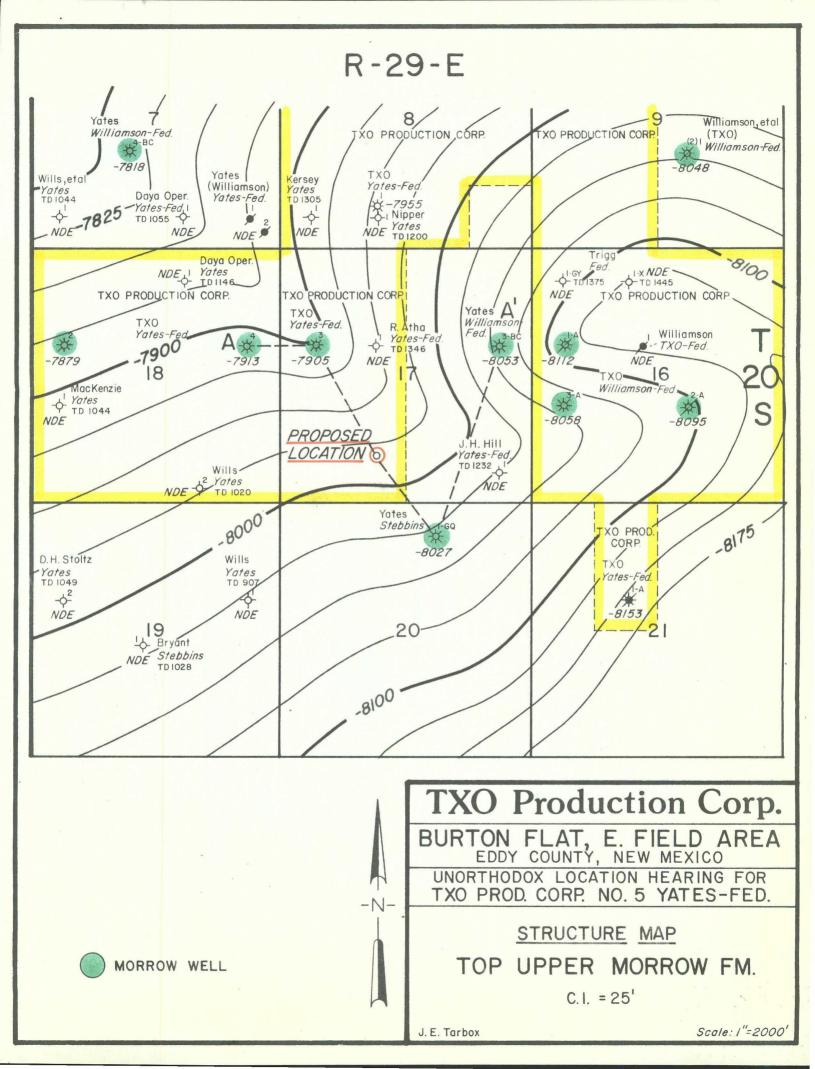
TXO PRODUCTION CON Click Randy

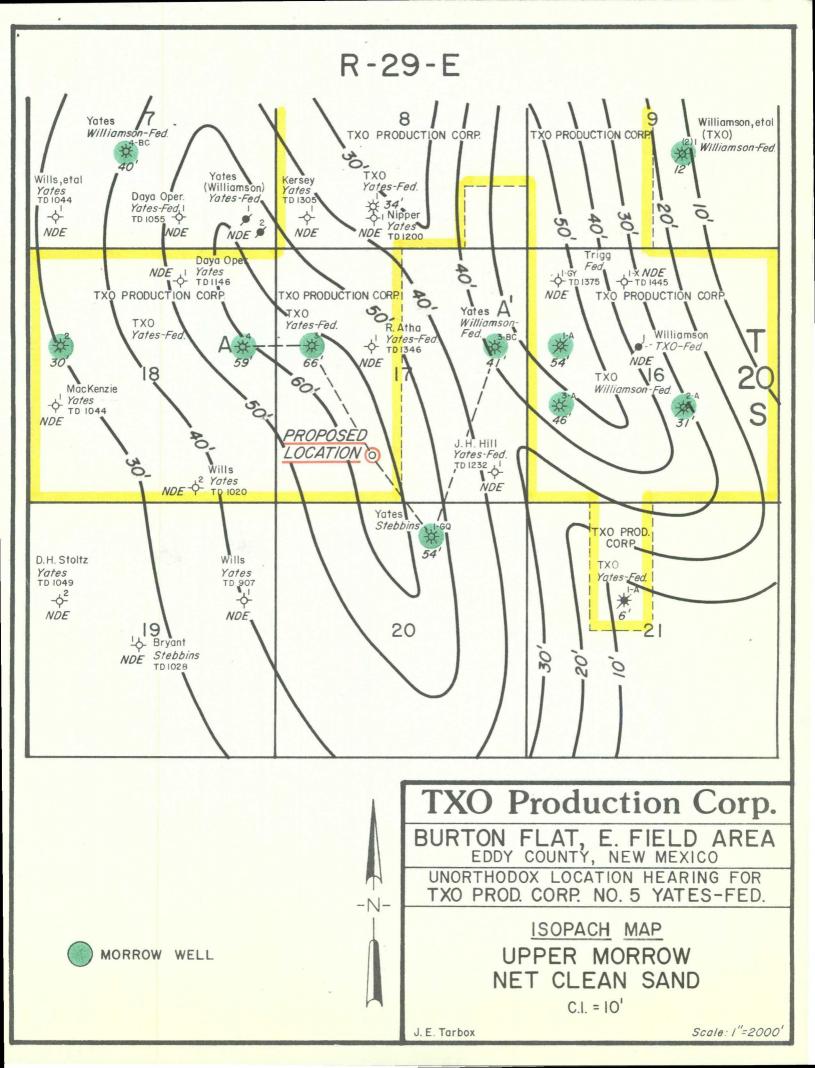
TXO PRODUCTION CORP. 900 Wilco Building Midland, Texas 79701

Landman for Applicant

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TXO PRODUCTION CORF	- 1 1983
900 WILCO BUILDING	
MIDLAND, TEXAS 79701	OIL CONSERVATION DIVISIO

SANTA FE

MIDLAND, TEXAS 79701

April 26, 1983

Yates Petroleum Corp. 207 South 4th Street Artesia. New Mexico 88210

Att: Land Manager

Re: Application for Unorthodox Drilling Permit Exception to Rule 104 C.II(a) Yates Federal #5 Well W/2 Section 17, T-20-S, R-29-E, Eddy County, New Mexico

Gentlemen:

TXO Production Corp., hereinafter referred to as "TXO", plans to drill the Yates Federal #5 Well at a location 990' FSL and 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. This well is planned as a Morrow Test. Since the State Field Rules specify 660' to the nearest side boundary, and 1980' to the nearest end boundary, the proposed location will require an exception to the well location requirements of Rule 104 C.II(a).

TXO wishes to drill at this location because we believe that it is necessary if we are to recover oil and gas reserves underlying our operating rights in the leases. We are also convinced that the distance from the proposed location to other producing wells is sufficient to ensure no harmful effect on other producers.

If you have no objection to this location, please date and execute the attached Waivers of Objection and return two executed copies in the self-addressed stamped envelope, which has been provided for your convenience. A third copy is for your files.

In the event you have any questions, please do not hesitate to contact me at 915/682-7992.

Verv trúlv RANDY CLIC

Landman

RC/1sEnclosures Certified Mail/RRR

- 1 1983 OIL CONSERVATION DIVISION SANTA FE

New Mexico Oil Conservation Department P. 0. Box 2088 Santa Fe, New Mexico 87501

Re: Application for Unorthodox Drilling Permit Exception to Rule 104 C.II(a) W/2 Section 17, T-20-S, R-29-E, Eddy County, New Mexico TXO Production Corp. proposed Yates Federal #5 Well

Gentlemen:

Yates Petroleum Corp., as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow Test well at a location 990' FSL and 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Yates Petroleum Corp. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

YATES PETROLEUM CORP.

By:	 	
Title:	 	
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PS Form 3800, Apr. 1976 RECEIPT FOR CERTIFIED MAIL 4/27/83POSTMARK OR DATE CONSULT POSTMASTER FOR FEES TOTAL POSTAGE AND FEES OSTAGE ENT TO REET AND NO. Yates Petroleum Corp. **OPTIONAL SERVICES** 207 South 4th Street Ū, NO INSURANCE COVERAGE PROVIDED-Ttesia, NM CERTIFIED FEE 220 RECEIPT SERVICE RETURN SPECIAL DELIVERY RESTRICTED DELIVERY SHOW TO WHOM AND DATE DELIVERED SHOW TO WHOM. DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY DELIVERY HOW TO WHOM, DATE IOW TO WHOM AND DATE LIVERED WITH RESTRICTED LIVERY (See Reverse) 609 88210 197 69 Complete items 1, 2, and 3. Add your address in the "RETURN TO" space reverse. CPO: 1979-300-55 INSURED MO. Show to whom, date and address of delivery ... Show to whom, date, and address of delivery.5 CLERK POSTMAR (Always obtain signature of addresses or agent The following strifte is requisted (sheek one.) XX Show to whom and date delivered...... Chow to whom, date and address of deliver RESTRICTFO DELIVERO (CONSULT POSTMASTER FOR FEES) Refutherized agent Show to whom and date delivered..... I have received the article described above. Yates Petroleum Corp. 207 South 4th Street - ARTICLE DESCRIPTION: REGISTERED NO. | CENTIFIED NO. P220609197 Artesia, NM 88210 RESTRICTED DELIVERY RESTRICTED DELIVERY. UNABLE TO DELIVER BECAUSE: ARTICLE ADDRESSED TO: DAJATSSee DELIVE ADDRESS (Com SENDER: SIGHATURE N PS Form 3811, Jan. 1979 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

TXO PRODUCTION CORPORT

900 WILCO BUILDING

MIDLAND, TEXAS 79701

JUN - 1 1983 OIL CONSERVATION DIVISION SANTA FE

April 27, 1983

Great Western Drilling 509 North Lorraine Midland, Texas 79701

Att: Land Manager

Re: Application for Unorthodox Drilling Permit Exception to Rule 104 C.II(a) Yates Federal #5 Well W/2 Section 17, T-20-S, R-29-E, Eddy County, New Mexico

Gentlemen:

TXO Production Corp., hereinafter referred to as "TXO", plans to drill the Yates Federal #5 Well at a location 990' FSL and 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. This well is planned as a Morrow Test. Since the State Field Rules specify 660' to the nearest side boundary, and 1980' to the nearest end boundary, the proposed location will require an exception to the well location requirements of Rule 104 C.II(a).

TXO wishes to drill at this location because we believe that it is necessary if we are to recover oil and gas reserves underlying our operating rights in the leases. We are also convinced that the distance from the proposed location to other producing wells is sufficient to ensure no harmful effect on other producers.

If you have no objection to this location, please date and execute the attached Waivers of Objection and return two executed copies in the self-addressed stamped envelope, which has been provided for your convenience. A third copy is for your files.

In the event you have any questions, please do not hesitate to contact me at 915/682-7992.

Verv truly Voun CLICK RANDY La'ndman

RC/ls Enclosures Certified Mail/RRR

jun - 1 1983 OIL CONSERVE SAN'LA CL

New Mexico Oil Conservation Department P. O. Box 2088 Santa Fe. New Mexico 87501

Re:

Application for Unorthodox Drilling Permit Exception to Rule 104 C.II(a) W/2 Section 17, T-20-S, R-29-E, Eddy County, New Mexico TXO Production Corp. proposed Yates Federal #5 Well

Gentlemen:

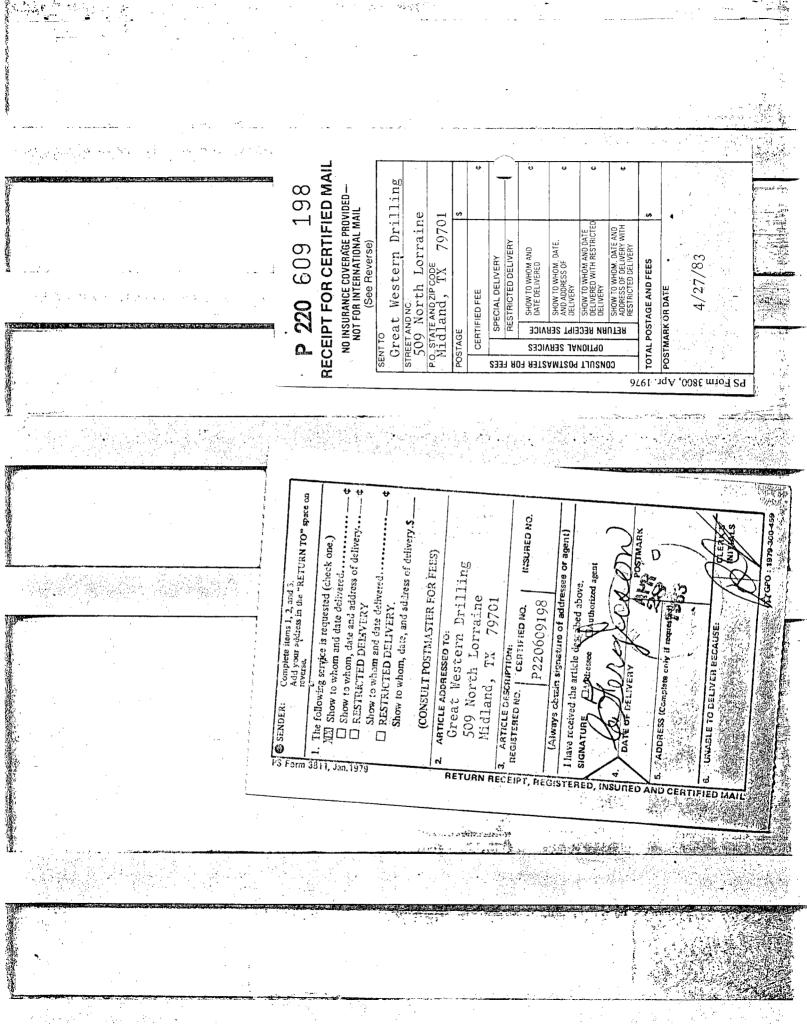
Great Western Drilling, as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow Test well at a location 990' FSL and 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Great Western Drilling has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours.

GREAT WESTERN DRILLING

By:
Title:
Date:





Holly Energy, Inc. 201 Permian Building Midland, Texas 79701

Re:

Application for Unorthodox Drilling Permit Exception to Rule 104, C. II (a), Yates Federal #5 Well, W/2 of Section 17, T-20-S, R-29-E, Eddy County, New Mexico

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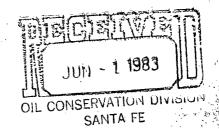
TXO wishes to drill at this location, because we feel that it is necessary if we are to recover oil and das reserves underlying our operating rights in the lease. We are also convinced that the distance from the proposed location to other producing wells is sufficient the insure no harmful effect on other producers.

If you have no objection to this location, please date and execute the attached waivers of objection and return two executed copies in the self addressed, stamped envelope, which has been provided for your convenience. A third copy is for your files.

In the event you have any questions, please do not hesitate to contact me at the above address or by calling 915/662-7992.

Very truly yours.

Randy Click Landman



New Mexico Oil Conservation Department P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Application for Unorthodox Drilling Permit Exception 104 C. II (a), W/2 of Section 17, T-20-S, R-29-E, Eddy County, New Mexico TXO Production Corp. proposed Yates Federal #5 Well

Gentlemen:

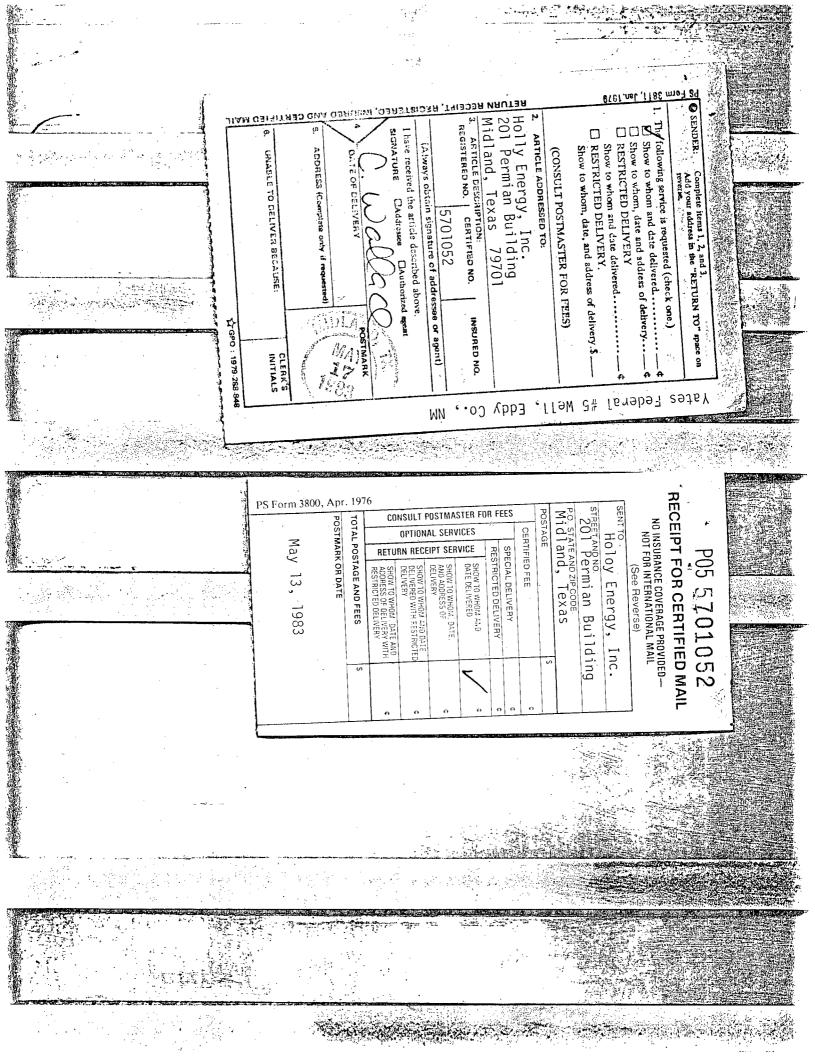
Holly Energy, Inc., as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow test well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E. Eddy County. New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

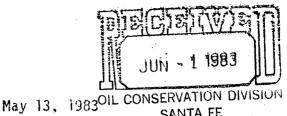
This is to advise that Holly Energy, Inc. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours;

HOLLY ENERGY, INC.

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SANTA FE

Cibola Energy Corp. P. O. Box 1668 Albuquerque, New Mexico 87103

> Re: Apolication for Unorthodox Drilling Permit Exception to Rule 104, C. II (a), Yates Federal #5 Well, W/2 of Section 17, T-20-S, R-29-E, Eddy County, New Mexico

Gentlemen:

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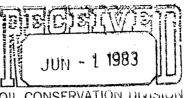
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In the event you have any questions, please do not hesitate to contact me at the above address or by calling 915/682-7992.

Very truly yours.

Randy Click Landman



New Mexico Oil Conservation Department P. O. Box 2088 Santa Fe, New Mexico 87501

OIL CONSERVATION DIVISION SANTA FE

Re: Application for Unorthodox Drilling Permit Exception 104 C. II (a), W/2 of Section 17, T-20-S, R-29-E, Eddy County, New Mexico TXO Production Corp. proposed Yates Federal #5 Well

Gentlemen:

Cibola Energy Corp., as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow test well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Cibola Energy Corp. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

CIBOLA ENERGY CORP.

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Yates Federal #5 Well, Eddy Co., NM Courplete items 1, 2, and 3. Add your address in the "KETURN TO" space on reverse. Kroro: 1979-288-848 INSURED NO. CLERK'S Show to whom, date, and address of delivery.\$ (Always obtain signature of addressee or agent Show to whom, date and address of delivery The following service is requested (check one. (CONSULT POSTMASTER FOR FEES) Show to whom and date delivered Authorized agent Show to whom and date delivered. I have received the article described above ADDRESS (Complete only H requested CERTIFIED NO. RESTRICTED DELIVERY RESTRICTED DELIVERY. Corp. 5701053 UNABLE TO DELIVER BECAUSE ARTICLE ADDRESSED TO: ibola Energy Cor . 0. Box 1668 87103 CAddressee ARTICLE DESCRIPTION REGISTERED NO. | CERT Ablq. NM SENDER: DATE OF SIGNATURE 00 PS Form 3811, Jan. 1979 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL 0 RECEIPT FOR CERTIFIED MAIL P05 _5701053 NO INSURANCE COVERAGE PROVIDED-NOT FOR INTERNATIONAL MAIL SENT Cibola Energy Corp. DATE AND IVERY WITH 1983 87103 RESTRICTED DELIVERY STRPET A'0' NOBOX 1668 SHOW TO WHOM AND DATE DELIVERED DAT (See Reverse) TOTAL POSTAGE AND FEES SPECIAL DELIVERY AIbq. NM 87 1500 POSTMARK OR DATE May 13, CERTIFIED FEE RETURN RECEIPT SERVICE POSTAGE OPTIONAL SERVICES SEEF ROA RETRAMTEON TJURNOD 0 PS Form 3800, Apr. 1976 (1)》: 小市市市市



Coquina Oil Corporation P. O. Drawer 2960 Midland, Texas 79702

> Re: Application for Unorthodox Drilling Permit Exception to Rule 104, C. II (a), Yates Federal #5 Well, W/2 of Section 17, T-20-S, R-29-E, Eddy County, New Mexico

Gentlemen:

TXO Production Corp., hereinafter referred to as TXO, plans to drill the Yates Federal \$5 Well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, SR-29-E, Eddy County, New Mexico. This well is planned as a Morrow test. Since the state field rules specify 660' to the nearest side boundary, and 1980' to the nearest end boundary, the proposed location will require an exception to the well location requirements of Rule 104 C. II (a).

TXO wishes to drill at this location, because we feel that it is necessary if we are to recover oil and gas reserves underlying our operating rights in the lease. We are also convinced that the distance from the proposed location to other producing wells is sufficient the insure no harmful effect on other producers.

If you have no objection to this location, please date and execute the attached waivers of objection and return two executed copies in the self addressed, stamped envelope, which has been provided for your convenience. A third copy is for your files.

In the event you have any questions, please do not hesitate to contact me at the above address or by calling 915/682-7992.

Very truly yours,

Randy Click Landman



New Mexico Oil Conservation Department F. O. Box 2088 Santa Fe. New Mexico 87501

> Re: Application for Unorthodox Drilling Permit Exception 104 C. II (a), W/2 of Section 17, T-20-S, R-29-E, Eddy County, New Mexico TXO Production Corp. proposed Yates Federal #5 Well

Gentlemen:

Coquina Oil Corporation, as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow test well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

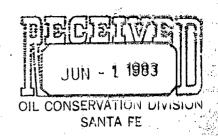
This is to advise that Coquina Oil Corporation has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

COQUINA OIL CORPORATION

By:	محمد المراجع التي من علي المراجع الم
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Yates Federal #5 Well, Eddy Co., NM : 1979-283-648 ñ space INSURED NO Show to whom, date, and address of delivery.5 (Always obtain signature of addressee or agent Show to whom, date and address of delivery. Complete items 1, 2, and 3. Add your address in the "RETURN TO" , reverse. The following service is requested (check one.) Show to whom and date delivered...... Chow to whom, date and address of delive (CONSULT POSTMASTER FOR FES) 86.43 CAuthorized agon Show to whom and date delivered... I have received the article described above. CERTIFIED NO. RESTRICTED DELIVERY RESTRICTED DELIVERY UNABLE TO DELIVER BECAUSE 1702 5701050 ADDRESS (Complete only H ARTICLE ADDRESSED TO: Corp ARTICLE DESCHIP ROW DAddressee 0. Drawer ř oquina Oi Midland, SICHATURE SENDER: DATE C • 4 PS Form 3811, Jun 1979 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL RECEIPT FOR CERTIFIED MAII P05-5701050 79702 NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL Coquina Oil Corp. P. 0. Drawer 2960 (See Reverse) AND WITH J. Texas W TO WHOM AND DATE 1983 RESTRICTED DELIVERY W TO WHOM, DATE DATE DNA MOHVI SPECIAL DELIVERY TOTAL POSTAGE AND FEES WHOW. DEL May 13, 0 CERTIFIED FEE Midland, SH077 TO ADDRESS RESTRICT POSTMARK OR DATE 운데면 RETURN RECEIPT SERVICE POSTAGE SENT 7 OPTIONAL SERVICES CONSULT POSTMASTER FOR FEES PS Form 3800, Apr. 1976



Read & Stevens P. O. Box 1518 Roswell, New Mexico 88201

> Re: Application for Unorthodox Drilling Permit Exception to Rule 104, C. II (a), Yetes Federal #5 Well, W/2 of Section 17, T-20-S, R-29-E, Eddy County, New Mexico

Gentlemen:

TXO Production Corp., hereinafter referred to as TXO, plans to drill the Yates Federal %5 Well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. This well is planned as a Morrow test. Since the state field rules specify 660' to the nearest side boundary, and 1980' to the nearest end boundary, the proposed location will require an exception to the well location requirements of Rule 104 C. II (a).

TXO wishes to drill at this location, because we feel that it is necessary if we are to recover oil and gas reserves underlying our operating rights in the lease. We are also convinced that the distance from the proposed location to other producing wells is sufficient the insure no harmful effect on other producers.

If you have no objection to this location, please date and execute the attached waivers of objection and return two executed copies in the self addressed, stamped envelope, which has been provided for your convenience. A third copy is for your files.

In the event you have any questions, please do not hesitate to contact me at the above address or by calling 915/682-7992.

Very truly yours,

Randy Click Landman



New Mexico Oil Conservation Department P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Application for Unorthodox Drilling Permit Exception 104 C. II (a), W/2 of Section 17, T-20-S, R-29-E, Eddy County, New Mexico TXO Production Corp. proposed Yates Federal #5 Well

Gentlemen:

Read & Stevens, as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow test well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 560' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

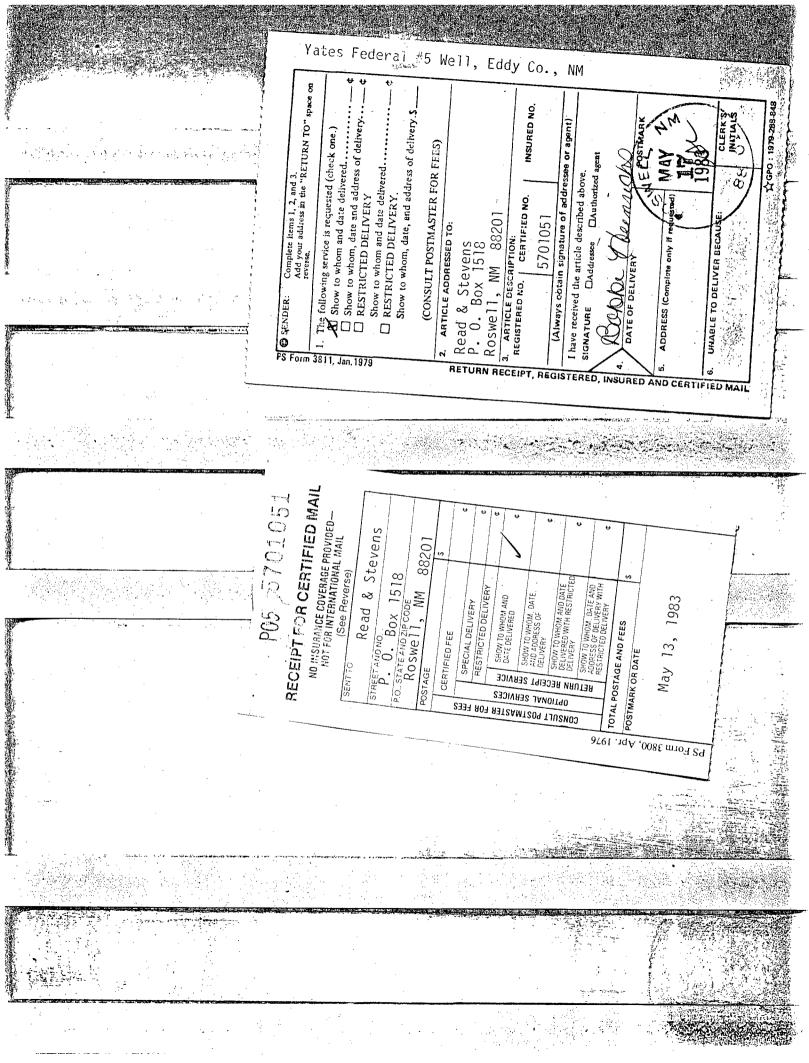
This is to advise that Read & Stevens has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

READ & STEVENS

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Title:



Gladys Angle 801 Carper Dr. Artesia, New Mexico 88210 JUN = 1 1983 OIL CONSERVATION DIVISION SANTA FE

Re: Application for Unorthodox Drilling Permit Exception to Rule 104, C. II (a), Yates Federal #5 Well, W/2 of Section 17, T-20-S, R-29-E. Eddy County, New Mexico

Dear Ms. Angle:

RC/dp Enclosures

TXO Production Corp., hereinafter referred to as TXO, plans to drill the Yates Federal #5 Well at a location 990' FSL & 1920' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. This well is planned as a Morrow test. Since the state field rules specify 560' to the nearest side boundary, and 1980' to the nearest end boundary, the proposed location will require an exception to the well location requirements of Rule 104 C. II (a).

TXO wishes to drill at this location, because we feel that it is necessary if we are to recover oil and gas reserves underlying our operating rights in the lease. We are also convinced that the distance from the proposed location to other producing wells is sufficient the insure no harmful effect on other producers.

If you have no objection to this location, please date and execute the attached waivers of objection and return two executed copies in the self addressed, stamped envelope, which has been provided for your convenience. A third copy is for your files.

In the event you have any questions, please do not hesitate to contact me at the above address or by calling 915/682-7992.

Very truly yours,

Randy Click Landman



New Mexico 011 Conservation Department P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Application for Unorthodox Drilling Permit Exception 104 C. II (a), W/2 of Section 17, T-20-S, R-29-E, Eddy County, New Mexico TXO Production Corp. proposed Yates Federal #5 Well

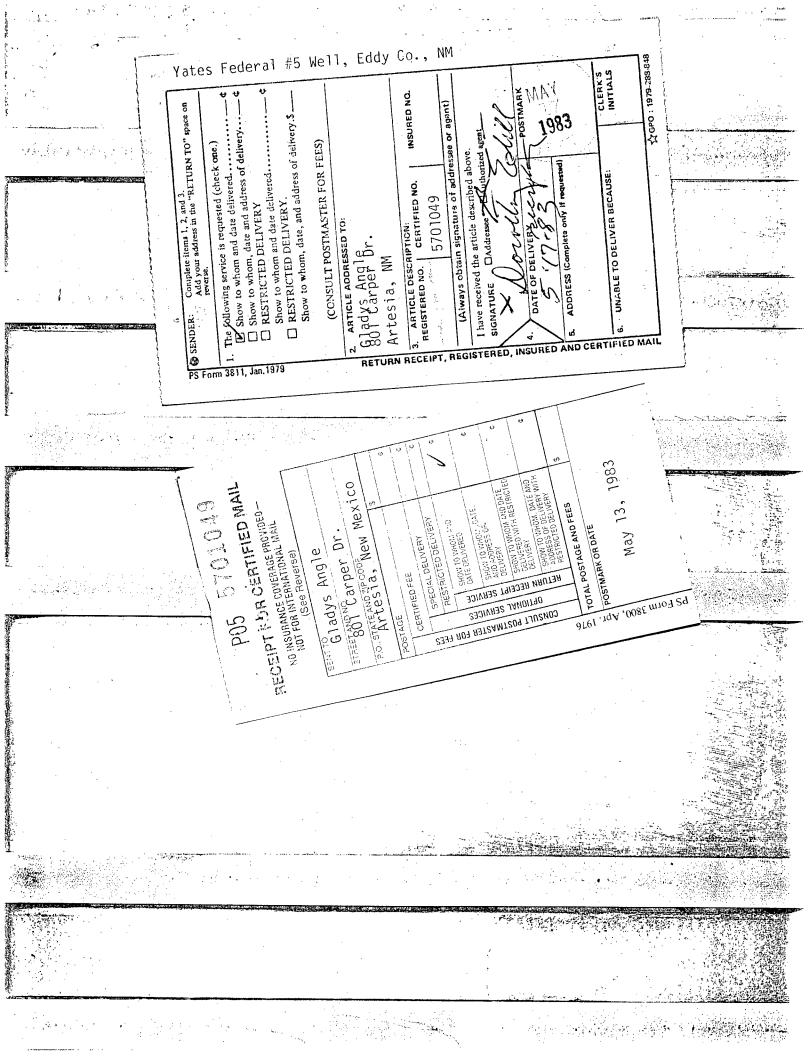
Gentlemen:

Gladys Angle, as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650⁺ Morrow test well at a location 990⁺ FSL & 1980⁺ FWL of Section 17, T-20-S, R-29-E, Eddy County. New Mexico. We understand that this location is closer to the lease lines than the 660⁺ to the nearest side boundary and 1980⁺ to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Gladys Angle has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

Gladys Angle



Ralph Nix P. O. Box 617 Artesia, New Mexico 88210

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OIL CONSERVATION DIVISION SANTA FE

Re: Application for Unorthodox Drilling Permit Exception to Rule 104, C. II (a), Yates Federal #5 Well, W/2 of Section 17, T-20-S, R-29-E, Eddy County, New Mexico

Dear Mr. Nix:

RC/dp Enclosures

TXO Production Corp., hereinafter referred to as TXO, plans to drill the Yates Federal #5 Well at a location 990' FSL & 1980' FWL of Section 17, T-20-S. R-29-E, Eddy County, New Mexico. This well is planned as a Morrow test. Since the state field rules specify 650' to the nearest side boundary, and 1980' to the nearest end boundary, the proposed location will require an exception to the well location requirements of Rule 104 C. II (a).

TXO wishes to drill at this location, because we feel that it is necessary if we are to recover oil and gas reserves underlying our operating rights in the lease. We are also convinced that the distance from the proposed location to other producing wells is sufficient the insure no harmful effect on other producers.

If you have no objection to this location, please date and execute the attached waivers of objection and return two executed copies in the self addressed, stamped envelope, which has been provided for your convenience. A third copy is for your files.

In the event you have any questions, please do not hesitate to contact me at the above address or by calling 915/682-7992.

Very truly yours,

Randy Click Landman New Moxico Oil Conservation Department P. O. Box 2088 Santa Fe, New Mexico 87501

JUN - 1 1983 OIL CONSERVATION DIVISION

Re: Application for UnorthodoxNTA FE Drilling Permit Exception 104 C. II (a), W/2 of Section 17, T-20-S, R-29-E, Eddy County, New Mexico TXO Production Corp. proposed Yates Federal #5 Well

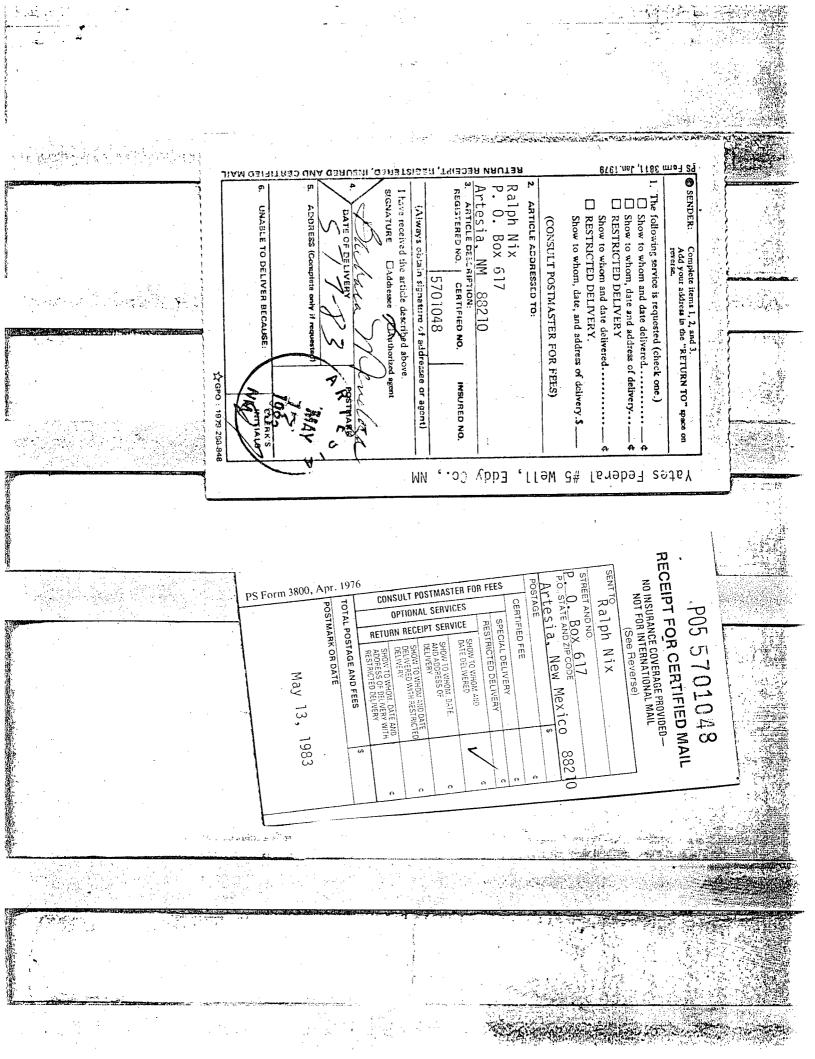
Gentlemen:

Ralph Nix, as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow test well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E. Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 650' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Ralph Nix has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

Ralph Nfx





Harvey E. Yates P. O. Box 1933 Roswell, New Mexico 88201

> Re: Application for Unorthodox Drilling Permit Exception to Rule 104, C. II (a), Yates Federal #5 Well, W/2 of Section 17, T-20-S, R-29-E, Eddy County, New Mexico

Dear Mr. Yates:

TXO Production Corp., hereinafter referred to as TXO, plans to drill the Yates Federal #5 Well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. This well is planned as a Morrow test. Since the state field rules specify 660' to the nearest side boundary, and 1980' to the nearest end boundary, the proposed location will require an exception to the well location requirements of Rule 104 C. II (a).

TXO wishes to drill at this location, because we feel that it is necessary if we are to recover oil and gas reserves underlying our operating rights in the lease. We are also convinced that the distance from the proposed location to other producing wells is sufficient the insure no harmful effect on other producers.

If you have no objection to this location, please date and execute the attached waivers of objection and return two executed copies in the self addressed, stamped envelope, which has been provided for your convenience. A third copy is for your files.

In the event you have any questions, please do not hesitate to contact me at the above address or by calling 915/682-7992.

Very truly yours,

Randy Click -Landman



New Mexico Oil Conservation Department P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Application for Unorthodox Drilling Permit Exception 104 C. II (a), W/2 of Section 17, T-20-S, R-29-E, Eddy County, New Mexico TXO Production Corp. proposed Yates Federal #5 Well

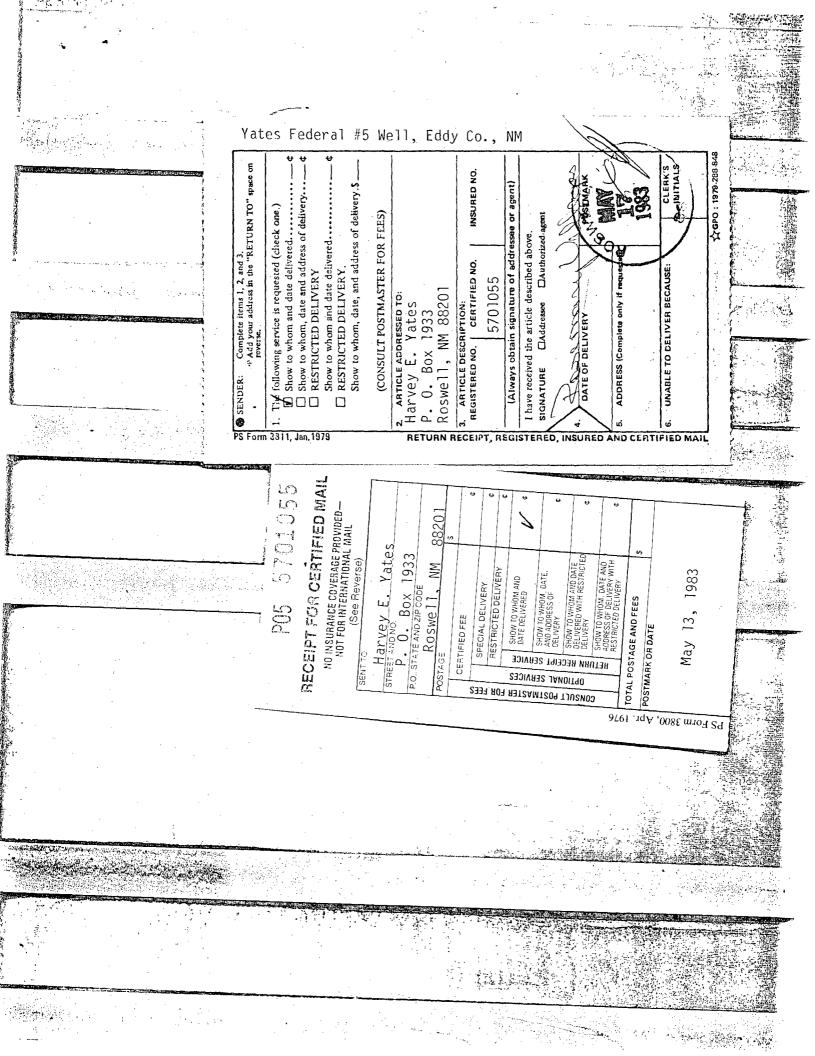
Gentlemen:

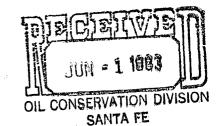
Harvey E. Yates, as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow test well at a location 990' FSL & 1980' FWL of Section 17, T-20-S, R-29-E. Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Harvey E. Yates has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

Harvey E. Yates





New Mexico Oil Conservation Department P. 0. Box 2088 Santa Fe, New Mexico 87501

Re: Application for Unorthodox Drilling Permit Exception to Rule 104 C.II(a) W/2 Section 17, T-20-S, R-29-E, Eddy County, New Mexico TXO Production Corp. proposed Yates Federal #5 Well

Gentlemen:

Davoil, Inc., as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow Test well at a location 990' FSL and 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Davoil, Inc. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

DAVOIL, INC.

By: Title: Date:



New Mexico Oil Conservation Department P. O. Box 2088 Santa Fe. New Mexico 87501

Re: Application for Unorthodox Drilling Permit Exception to Rule 104 C.II(a) W/2 Section 17, T-20-S, R-29-E, Eddy County, New Mexico TXO Production Corp. proposed Yates Federal #5 Well

Gentlemen:

The Estate of David Fasken, as offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow Test well at a location 990' FSL and 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that The Estate of David Fasken has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

THE ESTATE OF DAVID FASKEN

DAVID FASKEN

Antes By: Richard S. Brooks, Attorney

Title:

Date: 5/10/83

1087 OIL CONSERVATION DIVISION SANTA FE

New Mexico Oil Conservation Department P. 0. Box 2088 Santa Fe, New Mexico 87501

- Re: Application for Unorthodox Drilling Permit Exception to Rule 104 C.II(a) W/2 Section 17, T-20-S, R-29-E, Eddy County, New Mexico TXO Production Corp. proposed Yates Federal #5 Well

Gentlemen:

Richard S. Brooks, offset operator or record title to operating rights, has been advised of the intention of TXO Production Corp. to drill the referenced 11,650' Morrow Test well at a location 990' FSL and 1980' FWL of Section 17, T-20-S, R-29-E, Eddy County, New Mexico. We understand that this location is closer to the lease lines than the 660' to the nearest side boundary and 1980' to the nearest end boundary prescribed by the New Mexico State Field Rules.

This is to advise that Richard S. Brooks has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Very truly yours,

RICHARD

Date: 5/10/83