#### LOSEE & CARSON, P.A.

A.J. LOSEE

JOEL M. CARSON

CHAD DICKERSON

300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88210

AREA CODE 505 746-3508

16 November 1978

Mr. Joe D. Ramey, Director New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Enclosed for filing, please find three copies of Application of Texas Oil & Gas Corporation for an unorthodox gas well location for its Catclaw Draw State Com. No. 1 Well in Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner on December 7, 1978 and that we be furnished with a copy of the docket for said hearing.

Yours truly,

LOSEE, CARSON & DICKERSON, P.A.

oel M. Carson

JMC:bjm Enclosures

cc w/enclosure: Texas Oil & Gas Corporation

IN THE MATTER OF THE APPLICATION OF TEXAS OIL & GAS CORPORATION FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO

CASE NO. 6398

#### APPLICATION

COMES NOW TEXAS OIL & GAS CORPORATION, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the Wolfcamp and Pennsylvanian formations underlying:

### Township 21 South, Range 26 East, N.M.P.M.

#### Section 18

and proposes to drill its Catclaw Draw State Com. No. 1 Well at a point located 660 feet from the South line and 660 feet from the West line of said Section 18.

- 2. The applicant seeks an exception to the well location requirements of Rule 104-C.2(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 Wolfcamp and Pennsylvanian formations.
- 3. A standard 640-acre gas proration unit for said
  Section 18 should be dedicated to such well or to such lesser
  portion thereof as is reasonably shown to be reasonably productive
  of gas.
- 4. 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 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 granting applicant permission to drill a well 660 feet from the South line and 660 feet from the West line of said Section 18 and to dedicate Section 18, which is reasonably presumed to be productive of gas from the Wolfcamp and Pennsylvanian formations.

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

TEXAS OIL & GAS CORPORATION

Joel M. Carson

LOSEE, CARSON & DICKERSON, P.A.

P. O. Drawer 239

Artesia, New Mexico 88210

## BEFORE THE OIL COMSERVATION DIVISION

#### OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF:
TEXAS OIL & GAS CORPORATION FOR AN:
UNORTHODOX GAS WELL LOCATION, EDDY:
COUNTY, NEW MEXICO::

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TEXAS OIL & GAS CORPORATION

Joel M. Carson

LOSEE, CARON & DICKERSON, P.A.

P. O. Drawer 239

Artesia, New Mexico 88210

#### BEFORE THE CIL CONSERVATION DIVISION

#### OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF:
TEXAS OIL & GAS CORPORATION FOR AN:
UNORTHODOX GAS WELL LOCATION, EDDY
COUNTY, NEW MEXICO:
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TEXAS OIL & GAS CORPORATION

Joel M. Carson

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Artesia, New Mexico 88210

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gas well location, Eddy County,

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LAW OFFICES

A.JILOSEE M.CARSON SONTA FOR CHAD DICKERSON

LOSEE & CARSON, P.A.
300 AMERICAN HOME BUILDING

P. O. DRAWER 239

ARTESIA, NEW MEXICO 88210

February 12, 1979

AREA CODE 505 746-3508

Mr. Joe D. Ramey, Director State of New Mexico Energy and Minerals Department Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: Case No. 6398 Order No. R-5893

Dear Joe:

Enclosed for filing, please find three copies of Application For Denovo Hearing in the above case.

Joel M.

Very truly yours,

LOSEE, CARSON & DICKERSON, P.A.

JMC:aab Encls.

cc: Mr. Charles Canfield

Mr. Tom Kellahin

each w/encls.

IN THE MATTER OF THE APPLICATION OF :
TEXAS OIL & GAS CORPORATION FOR AN :
UNORTHODOX GAS WELL LOCATION, EDDY :
COUNTY, NEW MEXICO :

CASE NO. 6398

#### APPLICATION FOR DENOVO HEARING

COMES NOW TEXAS OIL & GAS CORP., by its attorneys, and in support hereof, respectfully states:

1. On January 1, 1979, the Oil Conservation Division rendered its Order No. R-5893 in the case authorizing the proposed unorthodox gas well location for the Wolfcamp and Pennsylvanian Formation finding, among other things:

"That such limitation should be based on the presumed maximum number of productive acres within the target horizon in said Section 18 compared to the number of acres in a standard proration unit and may best be accomplished by assigning the well an acreage factor of 0.35 (224 acres divided by 640 acres."

and ordering among other things:

"That all of said Section 18 is to be dedicated to the well."

2. Applicant is adversely affected by the above quoted finding and order by the Division.

WHEREFORE, Applicant prays:

- A. That its application for an unorthodox gas well location be heard Denovo by the Division.
- B. That upon hearing, the Division enter its order granting applicant to drill a well 660 feet from the South and

West lines of Section 18, Township 21 South, Range 26 East, N.M.P.M., Catclaw Draw-Morrow Gas Pool, and take such action, if any, that may be necessary to offset the advantage applicant may obtain over other producers by reason of the unorthodox location.

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

TEXAS OIL & GAS CORP

Joel M. Carson

P. O. Drawer 239

Artesia, New Mexico 88210

IN THE MATTER OF THE APPLICATION OF : TEXAS OIL & GAS CORPORATION FOR AN : CASE NO. 6398 UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO

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TEXAS OIL & GAS CORP.

Joel M. Carson

P. O. Drawer 239 Artesia, New Mexico 88210

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