



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

November 14, 1989

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mr. Tim Goudeau
Drilling and Production Engineer
TXO Production Corp.
900 Wilco Building
Midland, Texas 79701

Re: CASE NO. 9762
ORDER NO. R49039

Applicant:

TXO Production Corp.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other David B. Percy, William F. Carr

m.s.
Case No. 9762

TXO

PRODUCTION CORP.
415 WEST WALL, SUITE 900
MIDLAND, TEXAS 79701-4468
(915) 682-7992

September 14, 1989

RECEIVED
SEP 22 1989
OIL CONSERVATION DIV.
SANTA FE

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attn: Randy Patterson

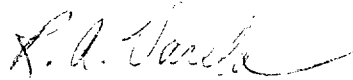
RE: WITHDRAWAL OF SUBPOENA APPLICATION
FOR TXO PRODUCTION CORP. FOR
DIRECTIONAL DRILLING AND UNORTHODOX
LOCATION
Eddy County, New Mexico

Gentlemen:

Yates Petroleum Corporation ("Yates") was served on August 30, 1989 with a subpoena requiring them to produce at the Division Offices in Santa Fe, New Mexico on September 6, 1989, certain documents as set forth in said subpoena. Said subpoena was issued on the application of TXO Production Corp. ("TXO").

TXO hereby withdraws and terminates said subpoena which shall be of no further force and effect upon delivery of this letter to Yates.

Sincerely,



R. A. Varela
Vice President and
District Manager

RAV/RHC/lc

cc: William J. LeMay
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Kellahin, Kellahin and Aubrey
El Patio
117 North Guadalupe
P. O. Box 2265
Santa Fe, New Mexico 87504
Attn: W. Thomas Kellahin

Campbell & Black, P.A.
Jefferson Place
Suite 1, 110 North Guadalupe
P. O. Box 2208
Santa Fe, New Mexico
Attn: William F. Carr

KELLAHIN, KELLAHIN and AUBREY

Attorneys at Law

W. Thomas Kellahin
Karen Aubrey

El Patio - 117 North Guadalupe
Post Office Box 2265

Telephone 982-4285
Area Code 505

Jason Kellahin
Of Counsel

Santa Fe, New Mexico 87504-2265

Fax: 505/982-2047

August 29, 1989

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AUG 29 1989

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OIL CONSERVATION DIVISION

Mr. William J. LeMay
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 9762

Re: Application of TXO Production Corporation
for Directional Drilling and an Unorthodox
Well Location, Eddy County, New Mexico
NMOCD Case No. _____

Dear Mr. LeMay:

Our firm represents TXO Production Corporation which is the Applicant in the referenced case. This case which is otherwise approvable administratively has been set for hearing on September 20, 1989 as a result of an objection filed by Yates Petroleum Corporation.

I am requesting the issuance of the enclosed subpoena for data from Yates Petroleum Corporation to be produced at the Examiner's hearing on September 6, 1989 so that we will have the data at least two weeks before the September 20 1989 hearing.

Very truly yours,



W. Thomas Kellahin

WTK/rs
Encl.

cc: TXO Production Corporation

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

RECEIVED
AUG 29 1989
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
TXO PRODUCTION CORPORATION FOR
DIRECTIONAL DRILLING AND UNORTHODOX
LOCATION, EDDY COUNTY, NEW MEXICO

CASE NO. 9762

SUBPOENA DUCES TECUM

TO: Custodian of Records
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Pursuant to Section 70-2-8, N.M.S.A. (1978) and New Mexico Oil Conservation Division Rule 1211 and in accordance with the instructions set forth herein, YOU ARE HEREBY COMMANDED to appear at the place, day and time specified below and produce for inspection and copying the documents described on the attached Exhibit "A".

PLACE

Oil Conservation Division Conference Room
State Land Office Building
310 Oil Santa Fe Trail
Santa Fe, New Mexico 87501

DAY AND TIME

September 6, 1989
at 8:15 o'clock a.m.
Examiner's Hearing

This subpoena is issued on the application of TXO
Production Corporation through its attorney, W. Thomas Kel-
lahin, Post Office Box 2265, Santa Fe, New Mexico 87504-
2265.

Dated this _____ day of August, 1989.

NEW MEXICO OIL CONSERVATION
DIVISION

By: _____

Exhibit "A"

For each of the following wells:

1. Yates' C. H. Slinkard Federal UR Well #3 located in the NW/4SW/4 of Section 12, T20S, R29E, NMPM, Eddy County, New Mexico,
2. Yates' C. H. Slinkard Federal UR Well #1 located in the SE/4NE/4 of Section 11, T20S, R29E, NMPM, Eddy County, New Mexico,
3. Yates' C. H. Slinkard Federal UR Well #2 located in the SE/4NW/4 of Section 11, T20S, R29E, NMPM, Eddy County, New Mexico,
4. Yates' Anthill State 1-AAK Well located in the SW/4SE/4 of Section 2, T20S, R29E, NMPM, Eddy County, New Mexico, and
5. Yates' Eland-Federal Well AFC #1, surface location in SE/4SW/4 of Section 12 and bottom-hole location in NW/4NW/4 of Section 13, T20S, R29E, NMPM, Eddy County, New Mexico.

The following:

- a. All pressure information, including but not limited to all bottom-hole surveys (initial and subsequent), surface pressure readings, pressure build-up data/tests, static tests, drill stem tests, flowing tubing pressures and interference tests,
- b. Daily well check records that show estimated gas production, oil production, actual water production and the well's flowing tubing and casing pressures and any other records and/or information utilized by Yates Petroleum Corporation in the preparation of its Form C-115 (Operator's Monthly Report),
- c. All production logs, including but not limited to, caliper logs, spinner surveys, tracer survey and any zone isolation tests,
- d. Any and all daily drilling, completion and recompletion reports,
- e. Any and all production data from April 1, 1989 through August 31, 1989,
- f. PVT data,

g. PVT fluid analysis including but not limited to molecular weight and API gravity,

h. Fluid data, including recombination analysis of bottom-hole analysis,

i. Fluid sample data,

j. Reservoir temperature data,

k. Gas-liquid ratios,

l. G.P.C. fingerprint analysis,

m. Drill stem test data,

n. Any core data and analysis, including but not limited to, conventional or sidewall core data, samples,

o. Production gauges/charts for each well on a daily basis from initial testing/completion, including oil run tickets, through August 31, 1989.

INSTRUCTIONS

"Documents" or "records" mean every writing and record of every type and description in the possession, custody or control of Yates Petroleum Corporation whether prepared by you or otherwise, which is in your possession or control or known by you to exist, including but not limited to, all drafts, correspondence, memoranda, handwritten notes, notes, minutes, entries in books of accounting, computer printouts, tapes and records of all types, minutes of meetings, studies, contracts, agreements, books, pamphlets, schedules, pictures and voice recordings, videotapes and every other device or medium on which, or for which information of any type is transmitted, recorded or preserved and whether or not such documents or records are marked or treated as confidential proprietary. The term "document" also means a copy where the original is not in possession, custody or control of the company or corporation to whom this request is addressed, and every copy of the document where such copy is not an identical duplicate of the original, all things similar to any of the foregoing however denominated by the parties.

SHERIFF'S RETURN

STATE OF NEW MEXICO

COUNTY OF _____

)
) ss.
)

I, _____, Sheriff of _____
County, New Mexico, do hereby certify that I served the within Subpoena by delivering a
copy thereof to each of the following persons therein named, in _____
County, New Mexico, on the dates hereinafter set out, as follows:

_____	on _____	, 19 _____
_____	on _____	, 19 _____
_____	on _____	, 19 _____
_____	on _____	, 19 _____
_____	on _____	, 19 _____

I further certify that none of said persons, except _____,
at the time of service of the Subpoena, demanded fees and mileage for one day's
attendance allowed by law, and that such fees and mileage were tendered to any of said
persons who demanded same.

FEES: Service and Return	\$ _____	Sheriff _____
Mileage _____ Miles	\$ _____	By: _____
TOTAL	\$ _____	Deputy _____

RETURN BY PERSON OTHER THAN SHERIFF OR DEPUTY:

STATE OF NEW MEXICO

COUNTY OF _____

)
) ss.
)

_____, being duly sworn, upon oath says: I am
not less than 18 years of age and not a party to this action, and I served the within
Subpoena by delivering a copy thereof to each of the following persons therein named, in
_____ County, New Mexico, on the dates hereinafter set out, as follows:

_____	on _____	, 19 _____
_____	on _____	, 19 _____
_____	on _____	, 19 _____
_____	on _____	, 19 _____
_____	on _____	, 19 _____

I further certify that none of said persons, except _____,
at the time of service of the Subpoena, demanded fees and mileage for one day's
attendance allowed by law, and that such fees and mileage were tendered to any of said
persons who demanded same.

FEES: Service and Return	\$ _____
Mileage _____ Miles	\$ _____
TOTAL	\$ _____

Subscribed and sworn to before me this _____ day of _____, 19 _____

(SEAL)

My Commission expires: _____

Notary Public

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
J. SCOTT HALL
JOHN H. BEMIS
WILLIAM P. SLATTERY
MARTE D. LIGHTSTONE
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

August 24, 1989

RECEIVED

HAND-DELIVERED

AUG 24 1989

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

OIL CONSERVATION DIVISION

Case 9762

Re: Applications of TXO Production Corp. for Directional
Drilling:

Williamson Federal #6
Surface Location: 1500' FEL, 100' FNL,
Section 15, T-20-S, R-29-E, Eddy County, New Mexico
Targeted Bottomhole Location: 1815' FNL and
825' FEL, Section 15, T-20-S, R-29-E,
Eddy County, New Mexico
Pool: Parkway South (Strawn)

Burton Flat Federal #1
Surface Location: 900' FSL, 1815' FWL,
Section 11, T-20-S, R-29-E, Eddy County, New Mexico
Targeted Bottomhole Location: 825' FNL and
1815' FWL, Section 14, T-20-S, R-29-E,
Eddy County, New Mexico
Pool: Parkway South (Strawn)

Dear Mr. LeMay:

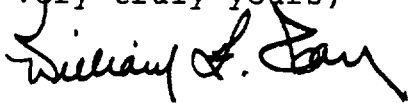
Yates Petroleum Corporation is an offset operator to each of the above-referenced wells and, pursuant to the provisions of Oil Conservation Division Rule 111, hereby objects to each of these applications.

Yates Petroleum Corporation is concerned about the appropriate spacing for each of the subject wells and, furthermore, believes that it may be more appropriate to include these wells in the Burton Flat East Strawn Pool instead of the Parkway South Strawn Pool as set forth in the applications of TXO.

William J. LeMay, Director
August 24, 1989
Page Two

Yates Petroleum Corporation requests that each of these applications be set for hearing before an Examiner of the Oil Conservation Division at the earliest possible date.

Very truly yours,

A handwritten signature in dark ink, appearing to read "William F. Carr", written over the typed name.

WILLIAM F. CARR

WFC:mlh

cc: TXO Production Corp.
Attn: Tim Goudeau, Drilling
and Production Engineer
900 Wilco Building
Midland, Texas 79701

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P.O. BOX 1933

ONE SUNWEST CENTRE

505 / 623-6601

FAX 505 / 622-4221

ROSWELL, NEW MEXICO 88202-1933

RECEIVED

AUG 28 1989

**OIL CONSERVATION DIV.
SANTA FE**

August 24, 1989

N. M. Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

Case 9762

Re: Objection to Deviated well
TXO Production Company
Burton Flat Fed. #1
900' FSL & 1815' FWL
Sec. 11, T-20-S, R-29-E
Eddy Co., New Mexico

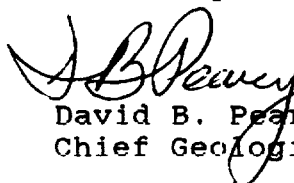
Gentlemen:

Harvey E. Yates Co. (HEYCO), objects to TXO's proposal to drill a deviated well at the cited location under the Parkway (Strawn) oil pool rules, with a bottom hole location in NW/4 of Sec. 14. HEYCO holds the adjacent suspended lease in the SW/4 of Sec. 14. We believe that either the lessee in the NE/4 or the SW/4 should be a working interest owner in TXO's well.

The presence of 10 Strawn gas producers in Sections 2 thru 16 of T-20-S, R-29-E, leads us to believe that expected production from TXO's well should be gas, and it should therefore be permitted on 320 acres. Only one poor Strawn oil well in Sec. 15 is allocated to the Parkway, South Strawn pool. This well is offset in Sec. 9, 11, and 16 by Strawn gas production.

We recommend all of Sec. 14 be unitized in order to minimize the high risk and high cost of drilling deviated wells in this area, and that the well be drilled to around 11,800 TVD to test the Morrow formation.

Sincerely,


David B. Percy
Chief Geologist

Cy: TXO
Yates Pet.