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December 21, 1984

Case 8455

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

Re: Township 22 South, Range 27 East, NMPM
Section 14: W/2
Eddy County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of TXO Production Corp. for Compulsory Pooling, Eddy County, New Mexico. Also enclosed is an Affidavit of Mailing reflecting the mailing of a copy of the Application to Union Oil Company of California.

We ask that this matter be set for hearing before an Examiner on January 16, 1984, and that we be furnished with a docket of said hearing.

Thank you.

Sincerely yours,

LOSEE, CARSON & DICKERSON, P.A.



Chad Dickerson

CD:pvm
Enclosures

cc w/enclosures: 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 COM- :
PULSORY POOLING, EDDY COUNTY, : CASE NO. 2045
NEW MEXICO :
_____ :

APPLICATION

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

1. Applicant has the right to drill a well as a gas well, to a depth sufficient to test the Wolfcamp formation, which is to be located at a point 1,907 feet from the north line and 635 feet from the west line of Section 14, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

2. The applicant intends to dedicate the W/2 of said section to this well, and there is an interest owner in the proration unit which has not agreed to pool its interest. The party which has not agreed to pool its interest, and its address is: Union Oil Company of California, P. O. Box 3100, Midland, Texas, 79701.

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

4. 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, his just and fair share of the gas in said unit, all mineral interests, whatever they may be, in the Wolfcamp formation underlying the W/2 of said Section 14, should be pooled.

5. 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.

6. 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.

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, in the Wolfcamp formation, underlying the W/2 of said Section 14, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, to form a 320-acre spacing unit dedicated to applicant's well.

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

TXO PRODUCTION CORP.

By: 
Chad Dickerson

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Attorneys for Applicant