

Jason Kellabin  
W. Thomas Kellahin  
Karen Aubrey

KELLAHIN and KELLAHIN  
*Attorneys at Law*  
El Patio - 117 North Guadalupe  
Post Office Box 2265  
Santa Fe, New Mexico 87504-2265

Telephone 982-4285  
Area Code 505

November 26, 1985

Mr. Richard L. Stamets  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

"Hand Delivered"

Re: TXO Production Corporation  
OCD Case 8755

Dear Mr. Stamets:

Our firm represents Mr. Joseph Sprinkle who appeared at the Examiner Hearing held on November 21, 1985, in opposition to TXO Production Corporation's attempt to force pool the SW/4NW/4 of Section 26, T18S, R32E, NMPM. This is docketed as Division Case 8755.

This case was presented to Examiner Stogner who ruled that the case would be continued until the examiner hearing on December 18, 1985, in order to cure TXO's lack of adequate notice to my client. During this case, Mr. Stogner denied my motion for a subpoena of certain data that TXO Production Corporation was withholding from my client because my motion was not in the proper form.

Accordingly, please find enclosed a proposed subpoena and notice of deposition in a form similar to those previously issued by the Division. We request that the subpoena be issued requiring TXO Production Corporation to present to us certain essential engineering and well data that they have and we need in order to properly present to the Division all evidence on the issue of the appropriate risk factor penalty to be assessed in this case.

I believe that the subpoena is in the proper form and respectfully request its issuance.

Very truly yours,

  
W. Thomas Kellahin

WTK:ca  
Enc.

KELLAHIN and KELLAHIN

Mr. Richard L. Stamets  
November 26, 1985  
Page 2

cc: David Vandiver, Esq.  
Attorney at Law  
Seventh and Mahone, Suite E  
Artesia, New Mexico 88210

"Federal Express"



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
 OIL CONSERVATION DIVISION

TONEY ANAYA  
 GOVERNOR

February 3, 1936

POST OFFICE BOX 2088  
 STATE LAND OFFICE BUILDING  
 SANTA FE, NEW MEXICO 87501  
 (505) 827-5800

Mr. David Vandiver  
 Dickerson, Fisk & Vandiver  
 Attorneys at Law  
 Seventh and Mahone, Suite E  
 Artesia, New Mexico 88210

Re: CASE NO. 3755  
 ORDER NO. R-8135-A

Applicant:  
TXO Production Corporation

Dear Sir:

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

Sincerely,

R. L. STAMETS  
 Director

RLS/fd

Copy of order also sent to:

Hobbs OCD   x    
 Artesia OCD   x    
 Aztec OCD           

Other Thomas Kellahin

TXO PRODUCTION CORP.

900 WILCO BUILDING  
MIDLAND, TEXAS 79701  
915/682-7992

January 27, 1986

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

Attention: Mr. R. L. Stamets

*M.S.*  
Re: Case #8755  
Order #R-8135

Gentlemen:

In compliance with the above referenced Order of the Division, enclosed please find one itemized schedule of estimated well costs for the drilling of TXO Production Corp.'s Sprinkle Federal #1 well. This Authority for Expenditure is identical to the one that was submitted as Exhibit III in Case #8755 presented before examiner, Michael E. Stogner on November 21, 1985 and January 9, 1986.

Should you have any questions concerning this matter, please do not hesitate to contact me.

Very truly yours,

  
Jeff Bourgeois  
Landman

JB/dp  
Enclosure



TXO PRODUCTION CORP.

900 WILCO BUILDING  
MIDLAND, TEXAS 79701  
915/682-7992

January 14, 1986

Mr. Michael E. Stogner  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87501

*M.S.*  
Re: Oil Conservation Division  
Cases #8755 and 8783  
~~Examiner Hearing of~~  
January 9, 1986

Dear Mr. Stogner:

In my recent testimony, in the above referenced cases heard before you on January 9, 1986, I testified that TXO had not offered more favorable farmout terms to parties other than Joseph S. Sprinkle "in the immediate area". It was my understanding that what Mr. Kellahin meant by "the immediate area" was the N/2 of Section 26, T-18-S, R-32-E, Lea County, New Mexico. I would like to clarify this matter and state for the record that in the general area, TXO has made other and varying offers to leasehold owners in an attempt to increase its acreage position; however, the farmout offer made to Mr. Sprinkle was identical to the farmout offers made to all parties in the N/2 of Section 26, T-18-S, R-32-E, Lea County, New Mexico.

Please be advised of the foregoing as I do not want any of my testimony to be perceived as misleading.

Thank you for your attention in this matter.

Very truly yours,

*Jeff Bourgeois*  
Jeff Bourgeois  
Landman

JB/dp

cc: Chad Dickerson  
7th & Mahone, Suite E  
Artesia, NM 88210

W. Thomas Kellahin  
P. O. Box 2265  
Santa Fe, NM 87504-2265

January 14, 1986

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

Re: Oil Conservation Division Case No. 8755  
TXO Production Corp. Sprinkle No. 3 Well  
Township 18 South, Range 32 East, N.M.P.M.  
Section 26: SW/4 NW/4  
Oil Conservation Division Case No. 8783  
TXO Production Corp. Sprinkle No. 4 Well  
Township 18 South, Range 32 East, N.M.P.M.  
Section 26: SE/4 NW/4  
Lea County, New Mexico

Dear Mr. Stogner:

Enclosed herewith are proposed Orders in the above cases. Please note that the Order covering the Sprinkle No. 3 Well in SW/4 NW/4 would obligate TXO to furnish well data information to parties who have elected to pay their share of estimated well costs.

If you need any additional information, please let us know. Thank you for considering this request.

Very truly yours,

DICKERSON, FISK & VANDIVER

  
Chad Dickerson

CD:paf

cc: Mr. Jeff Bourgeois  
Mr. W. Thomas Kellahin

*Mh  
see*

TXO PRODUCTION CORP.

900 WILCO BUILDING  
MIDLAND, TEXAS 79701

December 26, 1985

*Case No.  
8755*

Mr. W. Thomas Kellahin  
P.O. Box 2265  
Santa Fe, New Mexico 87504-2265

Dear Mr. Kellahin,

Enclosed herewith please find photocopies of data which Mr. Sprinkle requested Wednesday, December 18, 1985. The enclosed represents all such requested data which TXO has in its possession or under its control. Many of the tests and reports requested were not performed by TXO in the drilling and completing of the Sprinkle Federal Nos. 1 and 2 wells. TXO is currently awaiting the initial gas analysis from Phillips, and we will provide you a copy upon our receipt.

Mr. Sprinkle's interest in the proposed Sprinkle Federal Nos. 3 and 4 wells is 31.25% working interest and a 27.1875% net revenue interest. If you have any questions about the information submitted, please do not hesitate to contact me.

Very truly yours,

*T. Mark Tisdale*

T. Mark Tisdale  
Attorney

TMT/pn  
Enclosures

cc: Mr. Chad Dickerson  
Artesia, New Mexico

Mr. Richard L. Stamets  
Director - Energies and Mineral Department  
Oil Conservation Division

December 9, 1985

Mr. R. L. Stamets, Director  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Oil Conservation Division Case #8755  
Sprinkle No. 3 Well  
Township 18 South, Range 32 East, NMPM  
Section 26: SW/4 NW/4  
Lea County, New Mexico

Dear Mr. Stamets:

On November 26, 1985, you issued two subpoenas duces tecum directed to TXO Production Corp. ("TXO") in the referenced case. Both were served on December 2, 1985, and commanded the production of extensive information on or before December 9, 1985.

It is the opinion of TXO that the subpoenas are overly broad, and command it to furnish confidential and proprietary information derived entirely from the efforts of TXO, at its expense, and that some of it is not relevant to any issue before the Division in this case. Mr. Sprinkle owns offsetting acreage to the wells which are the subject of the subpoenas, and has the right to drill in competition with TXO. Surely it is not an oil and gas operator's obligation to assist those in competition with it in the manner required by the subpoenas in this instance. In addition, the Burleson and Huff Well No. 1 is one in which Mr. Sprinkle does not even own an interest. Some of the information can be obtained from public records, and other portions have already been furnished to Mr. Sprinkle or his attorneys by TXO.

Mr. R. L. Stamets, Director  
-2-

December 9, 1985

It is also our opinion that the subpoenas were issued at the instance of Mr. Kellahin for purposes of discovery and delay, neither of which is expressed to be the purpose of the subpoena power delegated to you under §70-2-8, N.M.S.A. (1978).

Notwithstanding our client's position on the propriety of the subpoenas issued in this case, it has nevertheless decided to comply to the extent set forth in this letter. Submitted to you herewith is all the information requested by the subpoenas. It is not being furnished to Mr. Kellahin. You are requested to treat this information as confidential, but are authorized to employ it for any legitimate purpose of the Oil Conservation Division. The data submitted consists of original documents, and TXO requests the prompt return of these originals.

Further, we assume that all parties appearing before the Oil Conservation Division will be allowed to obtain issuance of subpoenas in the future commanding those whom they oppose in matters regulated by your office to produce such information, as it is our understanding that the Division treats all equally.

Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvm  
Enclosures

cc: Mr. Jeff Bourgeois  
Mr. W. Thomas Kellahin

BEFORE THE OIL CONSERVATION DIVISION

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

CASE NO. 8755

SUBPOENA DUCES TECUM

TO: TXO Production Corporation  
c/o David Vandiver, Esq.  
Seventh and Mahone, Suite E  
Artesia, New Mexico 88210

Pursuant to the power vested in this Division, you are commanded to produce on or before December 9, 1985, to Kellahin & Kellahin, at 117 N. Guadalupe, Santa Fe, New Mexico 87504 and make available for copying, all the following documents under the possession or control of TXO Production Corporation:

For any or all of the following wells:

1. Sprinkle Federal Well #1, 660' FNL & FWL, Section 26, T18S, R32E, NMPM, Lea County, New Mexico;
2. Sprinkle Federal Well #2, 660' FNL & 1980' FWL, Section 26, T18S, R32E, NMPM, Lea County, New Mexico; and
3. Burleson & Huff Well #1, 660' FNL & 1980' FEL, Section 26, T18S, R32E, NMPM, Lea County, New Mexico.

Produce the following data:

1. Any and all pressure data, including but not limited to bottom hole pressure surveys;
2. Any and all Gas Oil Ratio Tests;
3. Any and all specific gravity information on the liquids;
4. Any and all production information;
5. Any and all reserve calculations, including but not limited to volumetric calculations of reserves, including recoverable reserves;
6. Any and all reservoir studies; and
7. Any and all economic studies including but not limited to estimates of payout and rates of return.
8. Complete daily drilling reports from inception to the latest available data for each well.

#### INSTRUCTIONS

This Subpoena Duces Tecum seeks all information available to you or in your possession, custody or control from any source, wherever situated, including but not limited to information from any files, records, documents, employees, former employees, counsel and former counsel. It is directed to each person to whom such information is a matter of personal knowledge.

When used herein, "you" or "your" refers to the person or entity to whom this Subpoena Duces Tecum is addressed to include all of his or its attorneys, officers, agent, employees, directors, representatives, officials, departments, divisions, subdivisions, subsidiaries or predecessors.

NEW MEXICO OIL CONSERVATION  
DIVISION

  
RICHARD L. STAMETS  
Director

ISSUED THIS 26<sup>th</sup> day of November, 1985, at  
Santa Fe, New Mexico.

*Earl H. Johnson, P.C.*

*Attorney at Law*

*1385 South Colorado Blvd. #720  
Denver, Colorado 80222*

November 13, 1985

*(303) 756-8624*

TXO Production Corp.  
900 Wilco Building  
Midland, Texas 79701  
ATTN: Jeff Bourgeois

Re: Sprinkle Federal No. 3 Well  
Township 18 South, Range 32 East, NMPM  
Section 26: SW/4 NW/4  
Lea County, New Mexico

Gentlemen:

Please refer to your letter of October 24, 1985, in which you made an offer for Mr. Sprinkle to farmout his interest in the above-captioned acreage.

Your offer is refused.

However, Mr. Sprinkle has authorized me to make the following proposal for farmout for the Number 3 Well. Mr. Sprinkle will retain a 10% net overriding royalty until payout. His interest will then convert to a 20% Net Revenue Working Interest.

Yours truly,

  
Earl H. Johnson, P.C.

EHJ/bb  
CERTIFIED MAIL - #P327468356  
RETURN RECEIPT REQUESTED

November 6, 1985

Case 8755

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

Re: Sprinkle Federal No. 3 Well  
Township 18 South, Range 32 East, NMPM  
Section 26: SW/4 NW/4  
Lea County, New Mexico

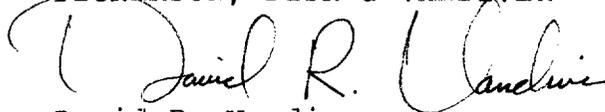
Gentlemen:

In connection with the Application of TXO Production Corp. for Compulsory Pooling, Lea County, New Mexico, we enclose herewith an Affidavit of Mailing reflecting the mailing of true copies of the Application to Joseph S. Sprinkle, et al.

Thank you.

Very truly yours,

DICKERSON, FISK & VANDIVER



David R. Vandiver

CD:pvm  
Enclosures

cc w/enclosures: Mr. Jeff Bourgeois

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

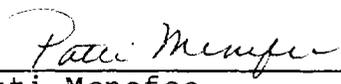
IN THE MATTER OF THE APPLICATION OF :  
TXO PRODUCTION CORP. FOR COMPULSORY :  
POOLING, LEA COUNTY, NEW MEXICO : CASE NO. \_\_\_\_\_  
: \_\_\_\_\_  
:

AFFIDAVIT OF MAILING

STATE OF NEW MEXICO )  
: ss.  
COUNTY OF EDDY )

The undersigned, being first duly sworn, upon oath, states that on the 6th day of November, 1985, the undersigned did mail in the United States Post Office at Artesia, New Mexico, a true copy of the Application of TXO Production Corp. for Compulsory Pooling, Lea County, New Mexico, in securely sealed postage prepaid envelopes, addressed to the following parties:

<u>NAME</u>	<u>ADDRESS</u>
Joseph S. Sprinkle	P. O. Box 6483 Denver, Colorado 80206
O. H. Berry	One Marienfeld Place, Suite 188 Midland, Texas 79701
Lewis Burleson	P. O. Box 2479 Midland, Texas 79702
J. Cecil Rhodes	511 West Texas Midland, Texas 79701

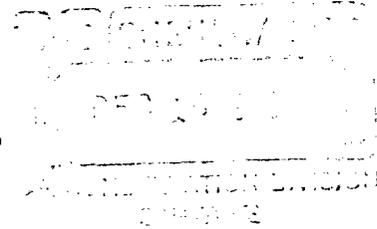
  
\_\_\_\_\_  
Patti Menefee

SUBSCRIBED AND SWORN TO before me this 6<sup>th</sup> day of November, 1985.

My commission expires:  
11-3-88

Patricia Ferguson  
Notary Public

December 13, 1985



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

Re: OCD Case Nos. 8755 and 8783  
Sprinkle No. 3 and No. 4 Wells  
Lea County, New Mexico

Gentlemen:

Enclosed for filing, please find a Motion requesting that the captioned cases be heard by the Commission under Rule 1216.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

A handwritten signature in cursive script, which appears to read "Chad Dickerson", is written over the typed name.

Chad Dickerson

CD:pvm  
Enclosure

cc w/enclosure: Mr. Jeff Bourgeois  
Mr. Mark Tisdale  
Mr. W. Thomas Kellahin

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
TXO PRODUCTION CORP. FOR COMPULSORY : CASE NO. 8755  
POOLING, LEA COUNTY, NEW MEXICO : CASE NO. 8783  
:

---

M O T I O N

COMES NOW TXO Production Corp., by its attorneys, and moves that Cases 8755 and 8783 be heard by the Commission under Rule 1216. In support hereof, applicant states that such action will facilitate the resolution of the controversy herein, for the reasons set forth in Exhibits "A" and "B" attached.

TXO PRODUCTION CORP.

By: *Chad Dickerson*  
Chad Dickerson

DICKERSON, FISK & VANDIVER  
Seventh and Mahone, Suite E  
Artesia, New Mexico 88210  
(505) 746-9841

Attorneys for Applicant

December 10, 1985

Mr. W. Thomas Kellahin  
Kellahin & Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87501

Re: Oil Conservation Division Case #8755  
Sprinkle No. 3 Well  
Township 18 South, Range 32 East, NMPM  
Section 26: SW/4 NW/4  
Lea County, New Mexico

Dear Tom:

TXO Production Corp. offers to allow your client to examine and copy all materials furnished to the Oil Conservation Division under your subpoena upon the following conditions:

1. That your client make his election to participate or not on the Sprinkle No. 3 and No. 4 Wells within 30 days hereof.
2. That he agree to not delay, through de novo applications or otherwise, the pending proceedings, if he is furnished all the information subpoenaed.

Please advise prior to December 18, 1985.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvm

cc: Mr. Jeff Bourgeois  
Mr. Mark Tisdale

AFFIDAVIT

STATE OF NEW MEXICO                   §  
  §  
COUNTIES OF LEA                     §  
AND SANTA FE

Jeff Bourgeois, whose address is 604 W. Kansas, Midland, Texas 79701, hereinafter referred to as "Affiant", being of lawful age and being duly sworn, upon oath deposes and says that the following statements are based upon Affiant's personal knowledge and are true and correct:

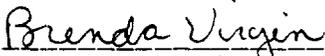
1. I am employed by TXO Production Corp. as a landman with a primary area of responsibility in Lea County, New Mexico.
2. TXO Production Corp. has filed with the Oil Conservation Division applications for compulsory pooling of its Sprinkle Federal Nos. 3 and 4 wells in Case Nos. 8755 and 8783 respectively requesting an order pooling all mineral interests in all formations from 4,825 feet beneath the surface to the base of the Bone Springs Formation in T-18-S, R-32-E, Lea County, New Mexico underlying the Southwest Quarter Northwest Quarter (SW/4NW/4) of Section 26 for the Sprinkle Federal No. 3 well and the Southeast Quarter Northwest Quarter (SE/4NW/4) of Section 26 for the Sprinkle Federal #4 well.
3. Case Nos. 8783 and 8755 are currently pending before the Oil Conservation Division.
4. Joseph S. Sprinkle owns an undivided 31.25% leasehold interest in the Northwest Quarter (NW/4) of Section 26. Sprinkle has made an appearance before the Commission and is opposing the Compulsory Pooling Application of TXO in Case No. 8755.
5. TXO Production Corp.'s interest in the Northwest Quarter (NW/4) of Section 26 is derived pursuant to a Farmout Agreement providing for a 90 day continuous development. Sprinkle was advised of TXO's continuous development obligation by letters dated August 14, 1985 and October 24, 1985. Further, testimony was presented before the Commission in Case No. 8698 concerning TXO's 90 day development obligations.

6. On December 2, 1985, Affiant met with Joseph S. Sprinkle in order to attempt to obtain Sprinkle's voluntary joinder in the drilling of TXO Production Corp.'s Sprinkle Federal Nos. 3 and 4 wells.
7. Sprinkle informed Affiant that he was aware of the time constraints placed on TXO Production Corp. by its farm-out obligations in the drilling of the Sprinkle Federal wells, but said this was TXO's problem and would not rush his decision because of TXO's continuous development obligations.
8. Sprinkle stated to Affiant that he was confident that his interest would ultimately be forced pooled by the Oil Conservation Division.
9. Sprinkle also stated to Affiant that it was his strategy to vigorously oppose the Sprinkle Federal #3 compulsory pooling case before the Oil Conservation Division, waiting until the 28th or 29th day after the examiner's order to request a denovo hearing before the Commission. At such time, if it was necessary, Sprinkle stated to Affiant that he would then wait the full time permitted by law to appeal the Commission's ruling to the District Court level.

Further, Affiant says not.

  
\_\_\_\_\_  
Jeff Bourgeois

Subscribed and sworn to me before this 12th day of December, 1985.

  
\_\_\_\_\_  
Notary Public  
in and for the State of Texas

My Commission Expires:

\_\_\_\_\_ 8-19-89 \_\_\_\_\_

BEFORE THE OIL CONSERVATION DIVISION

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

CASE NO. 8755

SUBPOENA DUCES TECUM

TO: TXO Production Corporation  
c/o David Vandiver, Esq.  
Seventh and Mahone, Suite E  
Artesia, New Mexico 88210

Pursuant to the power vested in this Division, you are commanded to produce on or before December 9, 1985, to Kellahin & Kellahin, at 117 N. Guadalupe, Santa Fe, New Mexico 87504 and make available for copying, all the following documents under the possession or control of TXO Production Corporation:

For any or all of the following wells:

1. Sprinkle Federal Well #1, 660' FNL & FWL, Section 26, T18S, R32E, NMPM, Lea County, New Mexico;
2. Sprinkle Federal Well #2, 660' FNL & 1980' FWL, Section 26, T18S, R32E, NMPM, Lea County, New Mexico; and
3. Burleson & Huff Well #1, 660' FNL & 1980' FEL, Section 26, T18S, R32E, NMPM, Lea County, New Mexico.

Produce the following data:

1. Any and all pressure data, including but not limited to bottom hole pressure surveys;
2. Any and all Gas Oil Ratio Tests;
3. Any and all specific gravity information on the liquids;
4. Any and all production information;
5. Any and all reserve calculations, including but not limited to volumetric calculations of reserves, including recoverable reserves;
6. Any and all reservoir studies; and
7. Any and all economic studies including but not limited to estimates of payout and rates of return.
8. Complete daily drilling reports from inception to the latest available data for each well.

#### INSTRUCTIONS

This Subpoena Duces Tecum seeks all information available to you or in your possession, custody or control from any source, wherever situated, including but not limited to information from any files, records, documents, employees, former employees, counsel and former counsel. It is directed to each person to whom such information is a matter of personal knowledge.

When used herein, "you" or "your" refers to the person or entity to whom this Subpoena Duces Tecum is addressed to include all of his or its attorneys, officers, agent, employees, directors, representatives, officials, departments, divisions, subdivisions, subsidiaries or predecessors.

NEW MEXICO OIL CONSERVATION  
DIVISION

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RICHARD L. STAMETS  
Director

ISSUED THIS \_\_\_\_ day of \_\_\_\_\_, 1985, at  
Santa Fe, New Mexico.

BEFORE THE OIL CONSERVATION DIVISION

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

CASE NO. 8755

CERTIFICATE OF SERVICE

I hereby certify that I have caused to be served the original Subpoena Duces Tecum to David Vandiver, Esq., Attorney at Law, Seventh and Mahone, Suite E, Artesia, New Mexico 88210, on this \_\_\_\_ day of November, 1985.

\_\_\_\_\_  
PROCESS SERVER

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 1985.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

BEFORE THE OIL CONSERVATION DIVISION

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

CASE NO. 8755

SUBPOENA DUCES TECUM

TO: Custodian of Records  
c/o Dean Wood  
TXO Production Corporation  
900 Wilco Building  
Midland, Texas 79701

Pursuant to the power vested in this Division, you are commanded to produce on or before December 9, 1985, to Kellahin & Kellahin, at 117 N. Guadalupe, Santa Fe, New Mexico 87504 and make available for copying, all the following documents under the possession or control of TXO Production Corporation:

For any or all of the following wells:

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2. Sprinkle Federal Well #2, 660' FNL & 1980' FWL, Section 26, T18S, R32E, NMPM, Lea County, New Mexico; and
3. Burleson & Huff Well #1, 660' FNL & 1980' FEL, Section 26, T18S, R32E, NMPM, Lea County, New Mexico.

Produce the following data:

1. Any and all pressure data, including but not limited to bottom hole pressure surveys;
2. Any and all Gas Oil Ratio Tests;
3. Any and all specific gravity information on the liquids;
4. Any and all production information;
5. Any and all reserve calculations, including but not limited to volumetric calculations of reserves, including recoverable reserves;
6. Any and all reservoir studies; and
7. Any and all economic studies including but not limited to estimates of payout and rates of return.
8. Complete daily drilling reports from inception to the latest available data for each well.

#### INSTRUCTIONS

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When used herein, "you" or "your" refers to the person or entity to whom this Subpoena Duces Tecum is addressed to include all of his or its attorneys, officers, agent, employees, directors, representatives, officials, departments, divisions, subdivisions, subsidiaries or predecessors.

NEW MEXICO OIL CONSERVATION  
DIVISION

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RICHARD L. STAMETS  
Director

ISSUED THIS \_\_\_\_ day of \_\_\_\_\_, 1985, at  
Santa Fe, New Mexico.

BEFORE THE OIL CONSERVATION DIVISION

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

CASE NO. 8755

CERTIFICATE OF SERVICE

I hereby certify that I have caused to be served the original Subpoena Duces Tecum to Custodian of Records, c/o Dean Wood, TXO Production Corporation, 900 Wilco Building, Midland, Texas 79701, on this \_\_\_\_ day of November, 1985.

\_\_\_\_\_  
PROCESS SERVER

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 1985.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_