

July 17, 1986

Case 8957

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

Re: Delta Fee "C" No. 1 Well
Township 22 South, Range 27 East, NMPM
Section 12: NW/4
Eddy County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies of the Application of TXO Production Corp. for a Non-Standard Proration Unit, Eddy County, New Mexico. Also enclosed is an Affidavit of Mailing reflecting actual notice on all interested parties.

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

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER


Chad Dickerson

CD:pv
Enclosures

cc w/enclosures: Mr. David Hundley

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICA- :
TION OF TXO PRODUCTION CORP. :
FOR A NON-STANDARD PRORATION :
UNIT, EDDY COUNTY, NEW MEXICO :
_____ :

CASE NO. 8957

APPLICATION

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

1. Applicant, as operator, proposes to drill its
Delta Fee "C" No. 1 Well at an orthodox location 1,980 feet from
the west line and 660 feet from the north line of Section 12,
Township 22 South, Range 27 East, N.M.P.M., to a depth sufficient
to test the Wolfcamp formation.

2. A non-standard 160-acre gas proration unit compris-
ing the NW/4 of said Section 12 should be dedicated to such well
or to such lesser portion thereof as is reasonably shown to be
productive of gas in the Wolfcamp formation.

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

4. The approval of this Application will afford Appli-
cant the opportunity to produce its just and equitable share of
oil and gas, and will otherwise prevent waste and protect correla-
tive 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 Applicant be authorized to complete its well in the Wolfcamp formation and to dedicate a non-standard 160-acre proration unit to such well.

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

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

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICA- :
TION OF TXO PRODUCTION CORP. :
FOR A NON-STANDARD PRORATION :
UNIT, EDDY COUNTY, NEW MEXICO :
_____ :

CASE NO. 8957

AFFIDAVIT OF MAILING

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

The undersigned, being first duly sworn, upon oath, states that on July 17, 1986, the undersigned did mail in the United States Post Office at Artesia, New Mexico, true copies of the Application of TXO Production Corp. for a Non-Standard Proration Unit, Eddy County, New Mexico, with such unit to be comprised of NW/4 Section 12, Township 22 South, Range 27 East, N.M.P.M., or such lesser portion thereof as is reasonably shown to be productive of gas in the Wolfcamp formation, to the following named operators owning a leasehold interest to be excluded from the proration unit in the half section in which the non-standard unit is located and to each operator on any proration unit, or owner of an undrilled tract, which unit or tract adjoins or corners such half section in accordance with Rule 1207, in securely sealed, certified mail, return receipt requested, postage prepaid envelopes, addressed to the following named parties:

BHP Petroleum, Inc.
1300 One First City Center
500 West Texas
Midland, Texas 79701

Western Oil Producers, Inc.
P. O. Box 1498
Roswell, New Mexico 88201
Midland, Texas 79702

Hugh Michael Calvert
1023 North Alameda
Carlsbad, New Mexico 88220

Mr. Perry R. Bass
Bass Enterprises Production Co.
P. O. Box 2760
Midland, Texas 79702

Kerr McGee Corporation
One Marienfeld Place, Suite 300
106 North Marienfeld
Midland, Texas 79701

Amoco Production Company
P. O. Box 3092
Houston, Texas 77253
Attn: Dan McCue

Champlin Petroleum Company
4 Allen Center
Suite 1500
Houston, Texas 77002

Santa Fe Energy
500 West Illinois
Midland, Texas 79701

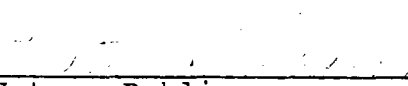
Exxon Company USA
P. O. Box 1600
Midland, Texas 79702



Patti Vermillion

SUBSCRIBED AND SWORN TO before me this 17th day of
July, 1986.

My commission expires:



Notary Public