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BEFORE THE OIL CONSERVATION DIVISION

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OF THE STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF :
TXO PRODUCTION CORP. TO AMEND ORDER :
NO. R-8570, LEA COUNTY, NEW MEXICO :

CASE NO. 9233

9351

APPLICATION

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

1. The Division entered its Order No. R-8570 in Case No. 9233, pooling all mineral interests in Lot 1, SE/4 NE/4, Section 4, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and authorized Applicant to re-enter the abandoned Hightower No. 1 Well, located at a point 660 feet from the east line and 810 feet from the north line of Section 4, and to directionally drill and deepen the well to a standard bottom hole location for the Shipp-Strawn Pool.

2. The re-entry attempt has been unsuccessful because of mechanical problems.

3. Applicant now proposes to drill a well at a standard surface and bottom hole location, located at a point 571 feet from the north line and 554 feet from the east line of said Section 4, under the Shipp-Strawn Pool Rules, to the same depth previously authorized, and to dedicate the same spacing unit previously approved, to-wit:

Township 17 South, Range 37 East, N.M.P.M.

Section 4: Lot 1, SE/4 NE/4 (E/2 NE/4)

containing 80.95 acres, more or less.

4. There are interest owners in the unit who have not agreed to pool their interests, and the names and addresses of such parties are as follows:

Sun Exploration and Production Company
P. O. Box 2880
Dallas, Texas 75221-2880
Attention: Steve Gillett

Spear Brothers Sheep and Cattle Company
P. O. Drawer 309
Hobbs, New Mexico 88240

J. R. McGinley, Jr.
P. O. Box 3405
Tulsa, Oklahoma 74101

Lanroy, Inc.
P. O. Box 3405
Tulsa, Oklahoma 74101

Cleroy, Inc.
P. O. Box 3405
Tulsa, Oklahoma 74101

Texaco Producing, Inc.
P. O. Box 3109
Midland, Texas 79702
Attention: Curtis Smith

5. Order R-8570 should be amended to authorize the drilling of the proposed well at the location described above, and in all other respects to remain unchanged. The election period provided by Order R-8570, Order No. 5, has expired. No further or additional period in which to so elect should be afforded by the amended order requested hereby, or in the alternative, any such period should be shortened to not more than five days after

entry of the requested order so as to prevent prejudice to Applicant.

6. The approval of this Application will afford Applicant the opportunity to produce its just and equitable share of oil and gas, 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 the Division enter its order amending Order No. R-8570 to authorize Applicant to drill its well at a point 571 feet from the north line and 554 feet from the east line of said Section 4, to a standard bottom hole location, and to dedicate Lot 1, SE/4 NE/4 (E/2 NE/4) Section 4, Township 17 South, Range 37 East, N.M.P.M., to its well, upon such terms requested herein.

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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