

April 29, 1988

VIA FEDERAL EXPRESS

Energy and Minerals Department  
Oil Conservation Division  
State Land Office Building, Room 206  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

RECEIVED  
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MAY 2 1988  
OIL CONSERVATION DIVISION  
OIL CONSERVATION DIVISION

Case 9382

Re: Township 11 South, Range 37 East, NMPM  
Section 36: E/2  
Lea County, New Mexico

Gentlemen:

Enclosed for filing, please find three copies each of the following Applications of TXO Production Corp.:

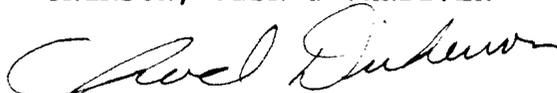
1. Application for Approval of a Unit Agreement, Phiester State Unit, Lea County, New Mexico.
2. Application for Directional Drilling and an Unorthodox Well Location, Lea County, New Mexico.

We ask that these matters be set for hearing before an Examiner on May 25, 1988.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvw  
Enclosures

cc w/enclosure: Mr. Richard Coats  
Commissioner of Public Lands

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION :  
OF TXO PRODUCTION CORP. FOR :  
APPROVAL OF A UNIT AGREEMENT, :  
PHIESTER STATE UNIT, LEA COUNTY, :  
NEW MEXICO :  
\_\_\_\_\_ :

CASE NO. 9382

APPLICATION

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

1. Applicant is the operator of the following lands in Lea County, New Mexico:

Township 11 South, Range 37 East, N.M.P.M.

Section 36: E/2

containing 320 acres, more or less.

2. The Applicant seeks to commit the above described lands to an exploratory unit known as the Phiester State Unit. The unit consists entirely of state lands.

3. The ratification or approval of all leasehold owners, including the State of New Mexico, required to ratify such unit agreement will be forthcoming prior to the effective date of any order issued pursuant to this Application by the Division.

4. The approval of this Application is in the interest of conservation and will 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 upon hearing, the Division enter its order approving the Phiester State Unit Agreement, with Applicant as operator, as an exploratory unit embracing the above described lands.

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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Artesia, New Mexico 88210  
(505) 746-9841

Attorneys for Applicant