

BEFORE THE OIL CONSERVATION DIVISION
OF THE DEPARTMENT OF ENERGY AND MINERALS
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF TXO PRODUCTION CORPORATION
FOR APPROVAL OF AN APPLICATION
TO DRILL A 2,700 FOOT YATES
TEST WELL IN LEA COUNTY,
NEW MEXICO

Case No.

PROTEST TO APPLICATION

Noranda Exploration, Inc., by its undersigned attorneys, hereby protests and objects to the application of TXO Production Corporation for a permit to drill a 2,700 foot Yates test well on the lands described in its application on file herein. In support of this protest Noranda Exploration states:

1. Noranda Exploration is the owner of potash leases on lands in Lea County which include the location of TXO Production Corporation's proposed drilling site.

2. Approval of TXO Production Corporation's application, if granted, will result in an undue waste of potash and potash deposits available to Noranda Exploration.

3. The application makes no provision for the protection of existing potash or probable potash deposits on said lands upon which the drilling location is sought.

4. The approval of the application would not be in the best interest of conservation and the prevention of waste.