

CASE 6734: SOUTHLAND ROYALTY COMPANY  
FOR COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO

Case No.

6734

Application

Transcripts.

Small Exhibits

ETC.



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

January 10, 1980

**Mr. William F. Carr  
Campbell and Black  
Attorneys at Law  
Post Office Box 2208  
Santa Fe, New Mexico**

Re: CASE NO. 6734  
ORDER NO. R-6212

**Applicant:**

Southland Royalty Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	x
Artesia OCD	x
Aztec OCD	

Other

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6734  
Order No. R-6212

APPLICATION OF SOUTHLAND ROYALTY  
COMPANY FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 28, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 9th day of January, 1980, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

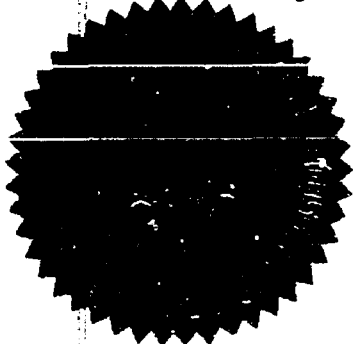
FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6734 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.



S E A L  
fd/

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
28 November 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Southland Royalty ) CASE  
Company for compulsory pooling, ) 6734  
Eddy County, New Mexico. )

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.  
Legal Counsel for the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (666) 471-2102  
Santa Fe, New Mexico 87501

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MR. STAMETS: The hearing will please come  
to order.

We'll call first case 6734.

MR. PADILLA: Application of Southland  
Royalty Company for compulsory pooling, Eddy County, New  
Mexico.

MR. STAMETS: The Division has received a  
request that this case be dismissed, and it will be.

(Hearing concluded.)

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3026 Plaza Blanca (606) 471-2463  
Santa Fe, New Mexico 87501

## REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter,  
DO HEREBY CERTIFY that the foregoing and attached Transcript  
of Hearing before the Oil Conservation Division was reported  
by me; that the said transcript is a full, true, and correct  
record of the hearing, prepared by me to the best of my  
ability from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.  
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
a copy of the transcript of the hearing held in  
the Oil Conservation Division of Case No. 6734  
heard by me on 11-28 1979.

Richard D. Stewart, Examiner  
Oil Conservation Division

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (SOS) 471-2412  
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
28 November 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Southland Royalty ) CASE  
Company for compulsory pooling, ) 6734  
Eddy County, New Mexico. )

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel for the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3028 Plaza Blanca (SFB) 471-2402  
Santa Fe, New Mexico 87501



1 MR. STAMETS: The hearing will please come  
2 to order.

3 We'll call first case 6734.

4 MR. PADILLA: Application of Southland  
5 Royalty Company for compulsory pooling, Eddy County, New  
6 Mexico.

7 MR. STAMETS: The Division has received a  
8 request that this case be dismissed, and it will be.

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10 (Hearing concluded.)

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SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (665) 471-2481  
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter,  
DO HEREBY CERTIFY that the foregoing and attached Transcript  
of Hearing before the Oil Conservation Division was reported  
by me; that the said transcript is a full, true, and correct  
record of the hearing, prepared by me to the best of my  
ability from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
a correct and true transcript of the proceedings in  
the matter of Case No. \_\_\_\_\_,  
heard by me on \_\_\_\_\_ 19\_\_\_\_.

\_\_\_\_\_, Examiner  
Oil Conservation Division

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2020 Plaza Blanca (G-65) 471-3402  
Santa Fe, New Mexico 87501

Dockets Nos. 45-79 and 1-80 are tentatively set for December 12, 1979 and January 3, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - NOVEMBER 27, 1979

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6609: (DE NOVO)

Application of Napeco Inc. for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn oil pool for its Benson Deep Unit Well No. 1 located in Unit O of Section 33, Township 18 South, Range 30 East, and special rules therefor, including 160-acre spacing and standard well locations.

Upon application of Yates Petroleum Corporation and Napeco Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

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DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 28, 1979

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

Notice is hereby given by the Oil Conservation Division that Giant Industries, Inc., has filed an application for a determination of eligibility to purchase state royalty oil pursuant to Secs. 19-10-64 thru 19-10-70 NMSA 1978 Comp. for its Farmington, New Mexico, refinery, which will be considered by the Commission after December 1, 1979. In the event objection, and evidence to support such objection, is received by the Commission on or before December 1, 1979, to such a determination, notice will be given and the application set for public hearing at a later date.

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CASE 6702: (Continued from October 17, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of South Blanco-Pictured Cliffs and Blanco Mesaverde production in the wellbore of its San Juan 27-5 Unit Well No. 67 located in Unit B of Section 31, Township 27 North, Range 5 West.

CASE 6732: Application of Dorchester Exploration, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Morton Solid State Unit Well No. 1 located 2156 feet from the North line and 990 feet from the West line of Section 4, Township 15 South, Range 34 East, Tres Papalotes-Pennsylvanian Pool.

CASE 6733: Application of Kelloil Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Lea Penn South Unit Area, comprising 1,440 acres, more or less, of State lands in Township 20 South, Range 35 East.

CASE 6734: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 27, Township 18 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6735: Application of Mesa Petroleum Co. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 26, Township 18 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well. (This case will be dismissed.)

CAMPBELL AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
PAUL R. CALDWELL

POST OFFICE BOX 2208  
JEFFERSON PLACE  
SANTA FE, NEW MEXICO 87501  
TELEPHONE (505) 968-4421

November 13, 1979

Mr. Joe D. Ramey  
Division Director  
Oil Conservation Division  
New Mexico Department of Energy & Minerals  
Post Office Box 2088  
Santa Fe, New Mexico 87501

OIL CONSERVATION DIVISION  
SANTA FE

Case 6734

Re: Application of Southland Royalty Company for  
Compulsory Pooling, Eddy County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Southland Royalty Company in the above-referenced matter.

The applicant requests that this matter be included on the docket for the examiner hearing scheduled to be held on November 28, 1979.

Very truly yours,



William F. Carr

WFC:lr

Enclosures

cc: Mr. Don W. Davis

BEFORE THE OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION  
OF SOUTHLAND ROYALTY COMPANY  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

CASE 6734

APPLICATION

Comes now, SOUTHLAND ROYALTY COMPANY, by and through its undersigned attorneys, and, as provided by Section 70-2-17, New Mexico Statutes Annotated, 1978 Compilation, hereby makes application for an order pooling all of the mineral interests in the Pennsylvanian formation in and under the S/2 of Section 27, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Commission:

1. Applicant is the owner of 25.00% of the working interest in and under S/2 of Section 27, and applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its SRC Empire, South Federal No. 1 Well to be drilled at an orthodox location 1980 feet from the South and West lines of said Section 27.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other working interest owners in the S/2 of said Section 27 except John H. Trigg, owner of an 18.75% working interest.

4. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

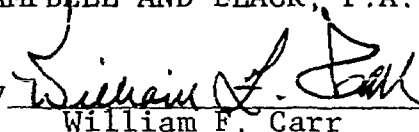
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law the Division enter its order pooling the lands, including provisions designating the applicant as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling, and after completion, including overhead charges, and a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, and such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By

  
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87501  
Attorneys for Applicant

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

IN THE MATTER OF THE APPLICATION  
OF SOUTHLAND ROYALTY COMPANY  
FOR COMPULSORY POOLING,  
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CASE 6734

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1. Applicant is the owner of 25.00% of the working interest in and under S/2 of Section 27, and applicant has the right to drill thereon.
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4. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

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Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By William F. Carr  
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87501  
Attorneys for Applicant



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

IN THE MATTER OF THE APPLICATION  
OF SOUTHLAND ROYALTY COMPANY  
FOR COMPULSORY POOLING,  
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CASE 6734

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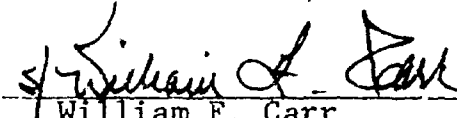
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Respectfully submitted,

CAMPBELL, AND BLACK, P.A.

By

  
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87501  
Attorneys for Applicant

# Memo

From

FLORENE DAVIDSON  
ADMINISTRATIVE SECRETARY

To

Called in by Bill Carr  
November 8, 1939

Compulsory Pooling  
Southland Royalty Company

S/2 Section 27, T18S, R29E

Pennsylvanian formation

SRC Empire South Fed. #1

OIL CONSERVATION COMMISSION-SANTA FE

DRAFT

dr/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6734

Order No. R- 6212

APPLICATION OF SOUTHLAND ROYALTY  
COMPANY FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 28,  
19 79, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this Jan day of 1980, the Division  
Director, having considered the record and the recommendations of  
the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6734 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove  
designated.