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April 12, 1984

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OIL CONSERVATION DIVISION

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

Case 8/88

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 case. We respectfully request that this matter be included on the docket for the Examiner Hearing scheduled for May 9, 1984.

Your attention to this request is appreciated.

William F. Carr

Very truly yours

WFC/cv enclosures

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OIL CONSERVATION DIVISION

BIL CHARLENVATION 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 <u>8/88</u>

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 N/2 of Section 17, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

- 1. Applicant owns or represents approximately 42% of the working interest in and under the N/2 of Section 17, and applicant has the right to drill thereon.
- 2. Applicant proposes to dedicate the above-referenced pooled unit to the Southland Royalty Parkway State 17 Com. No. 1 Well to be drilled at an orthodox location 1980 feet from the North and East lines of said Section 17.
- 3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the N/2 of Section 17 except for the following:

Exxon Company, U.S.A. 50% WI Union Oil Cmpany of California 8.33% WI

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 dully appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for applicant to recover its costs of drilling, equipping and completing the well, and its costs of supervision while drilling, and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

William F. Carr

Post Office Box 2208

Santa Fe, New Mexico 87501

ATTORNEYS FOR SOUTHLAND ROYALTY COMPANY