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March 15, 1985

*Case 8557*

HAND DELIVERED

R. L. Stamets, Director  
Oil Conservation Division  
New Mexico Department of  
Energy and Minerals  
Post Office Box 2088  
Santa Fe, New Mexico 87501

RECEIVED  
MAR 1 1985  
OIL CONSERVATION DIVISION

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

Dear Mr. Stamets:

Enclosed in triplicate is the Application of Southland Royalty Company in the above-referenced case. Southland Royalty Company respectfully requests that this matter be included on the docket for the April 10, 1985 examiner hearings.

Your attention to this request is appreciated.

Very truly yours,

*William F. Carr*  
William F. Carr

WFC/cv  
enclosures

cc: Mr. Don Davis

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

RECEIVED  
1981 1 1005  
OIL CONSERVATION DIVISION

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

Case 8557

APPLICATION

Comes now, SOUTHLAND ROYALTY COMPANY, by and through its undersigned attorneys and, as provided by Section 70-2-17, N.M.S.A. (1978), hereby makes application for an order pooling all of the mineral interests from the surface to the top of the Wolfcamp formation, in and under the NW/4, and all of the mineral interests from the top of the Wolfcamp formation to the base of the Pennsylvanian formation, in and under the W/2 of Section 21, Township 16 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 50% of the working interest in and under the NW/4 of Section 21, and 75% of the working interest in and under the W/2 of said Section 21, and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to its Duffield Federal 21 Com No. 1 well to be drilled at an orthodox location 1980 feet from the North line and 660 feet from the West line of said Section 21.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the W/2 of said Section 21, except for Donald R. Link, 445 Petroleum Building, Denver, Colorado 80202, owner of a 50% working interest under the NW/4 and a 25% working interest under the W/2 of said Section 21.

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

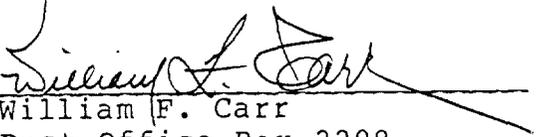
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on April 10, 1985, 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, 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, approving the location of the well as proposed by applicant, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By

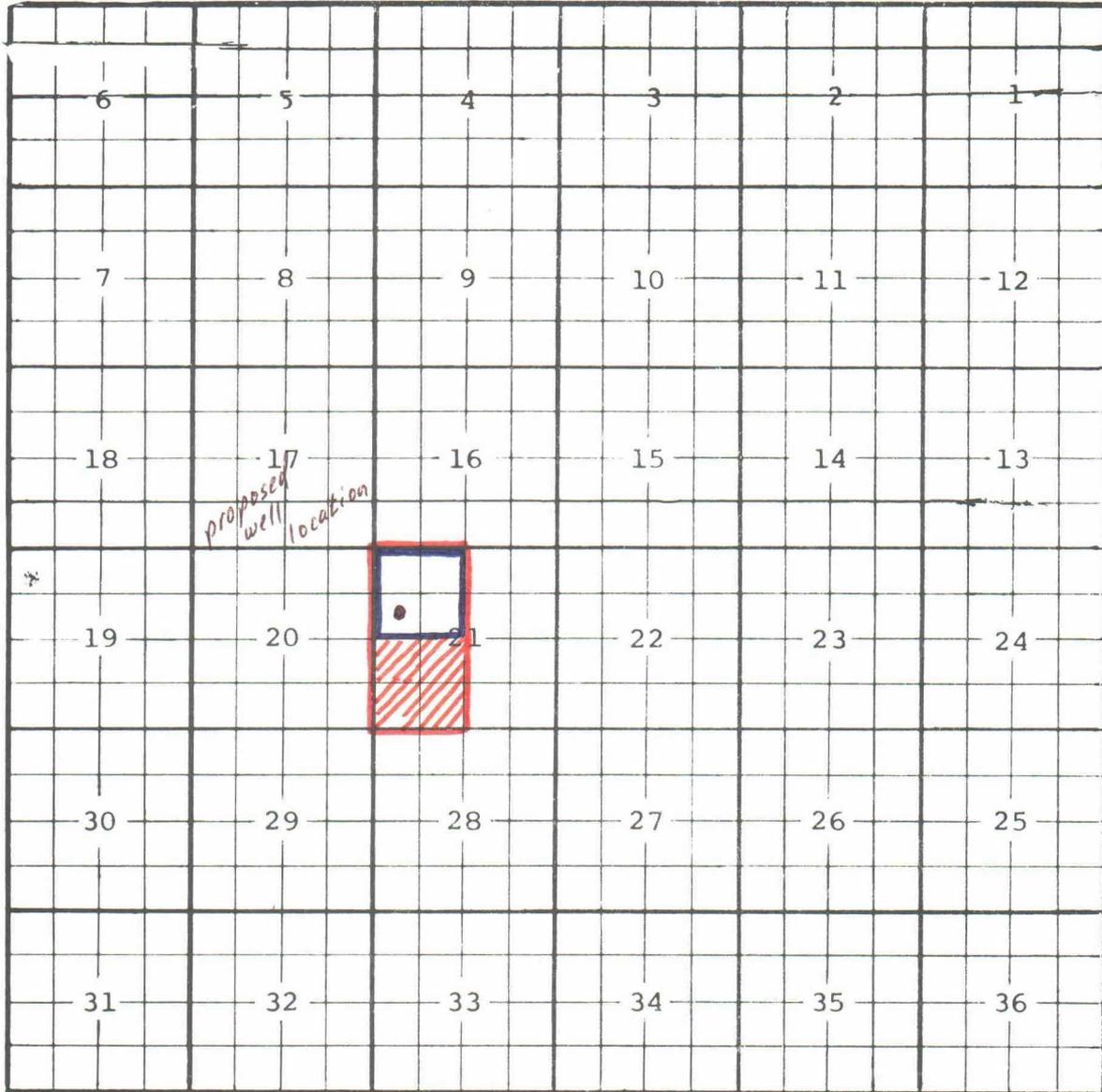


William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87501  
(505) 988-4421

ATTORNEYS FOR SOUTHLAND ROYALTY  
COMPANY

County Eddy Pool \_\_\_\_\_

TOWNSHIP 16 South Range 27 East NMPM



Ottfield - Pennsylvanian <sup>(Gas)</sup> R-928 (SW/4) 

DRINKARD POOL  
(DRINKARD)  
Lea County, New Mexico

Order No. 850, January 1, 1950, Redefining Drinkard and North Drinkard Pools, as Amended by Order No. R-38, December 20, 1950; Order No. R-54, February 26, 1951; Order No. R-92, September 20, 1951; Order No. R-136, March 20, 1952; Order No. R-382, October 21, 1953; Order No. R-393, November 24, 1953; Order No. R-511, July 21, 1954; Order No. R-584, February 16, 1955; Order No. R-1023, July 30, 1957; Order No. R-1089, November 27, 1957; Order No. R-1372, April 21, 1959; Order No. R-1633, March 18, 1960; Order No. R-1840, January 1, 1961; Order No. R-1999, July 1, 1961; Order No. R-2119, December 1, 1961; Order No. R-2187, March 1, 1962; Order No. R-2241, June 1, 1962; Order No. R-2313, October 1, 1962; Order No. R-2393, January 1, 1963; Order No. R-2427, March 1, 1963; Order No. R-2569, October 1, 1963; Order No. R-2639, February 1, 1964; Order No. R-2692, May 1, 1964; Order No. R-2879, April 1, 1965; Order No. R-2923, July 1, 1965; Order No. R-2938, August 1, 1965; Order No. R-3014, January 1, 1966; Order No. R-3067, June 1, 1966; Order No. R-3139, November 1, 1966; Order No. R-3355, January 1, 1968; Order No. R-3455, August 1, 1968; Order No. R-3731, May 1, 1969; Order No. R-3813, September 1, 1969; Order No. R-3895, January 1, 1970; Order No. R-4014, September 1, 1970; Order No. R-4351, August 1, 1972; Order No. R-4566, July 1, 1973; Order No. R-4665, December 1, 1973; Order No. R-4782, June 1, 1974; Order No. R-4969, April 1, 1975; Order No. R-5015, June 1, 1975; Order No. R-5056, August 1, 1975; Order No. R-5102, October 1, 1975; Order No. R-5124, December 1, 1975; Order No. R-5171, April 1, 1976; Order No. R-5226, July 1, 1976; Order No. R-5252, September 1, 1976; Order No. R-5456, July 1, 1977; Order No. R-5511, September 1, 1977; Order No. R-5609, January 1, 1978; Order No. R-5754, July 1, 1978; Order No. R-5781, September 1, 1978; Order No. R-5987, May 1, 1979; Order No. R-6005, June 1, 1979; Order No. R-6170, November 1, 1979; Order No. R-6274, March 1, 1980; Order No. R-6657, May 1, 1981; Order No. R-6923, April 1, 1982; Order No. R-7554, July 1, 1984; Order No. R-7714, November 1, 1984.

T-21-S, R-36-E E/2 E/2 Sec. 24; E/2 Sec. 25; NE/4 Sec. 35; Sec. 36.

T-21-S, R-37-E Lots 3, 4, 5, 6, S/2 Sec. 1; Lots 1 through 8, 10 through 14, S/2 Sec. 2; Sec. 3; Lots 9, 14, S/2 Sec. 4; SE/4 Sec. 7; Secs. 8 through 17; SW/4, E/2 Sec. 18; Secs. 19 through 23; W/2, NE/4 Sec. 24; W/2, SE/4 Sec. 25; Secs. 26 through 36.

T-21-S, R-38-E Lots 11, 12, 13, 14, SW/4 Sec. 6; NW/4 Sec. 7.  
T-22-S, R-36-E NW/4, E/2 Sec. 1; S/2 Sec. 12; N/2 Sec. 13.  
T-22-S, R-37-E Secs. 1 through 16; N/2, N/2 SE/4 Sec. 17; Sec. 18; E/2, SW/4 Sec. 21; Secs. 22 through 26; NE/4 Sec. 27; NE/4 NW/4, N/2 NE/4 Sec. 28; Sec. 36.

T-22-S, R-38-E SW/4 Sec. 6; Sec. 7; W/2, SE/4 Sec. 17; Secs. 18, 19, 20; W/2 W/2 Sec. 21; Lots 1, 2, 3, 4, W/2 W/2 Sec. 28; Secs. 29 through 32; Lots 1, 2, 3, 4, W/2 W/2 Sec. 33.

T-23-S, R-38-E Lots 2, 3 Sec. 4; Secs. 5, 6; E/2 Sec. 7; N/2 NE/4 Sec. 18.

DUFFIELD-PENNSYLVANIAN GAS POOL  
Eddy County, New Mexico

Order No. R-928, December 13, 1956, Establishing Pool.

T-16-S, R-27-E SW/4 Sec. 21.

ECHOL-DEVONIAN POOL  
Lea County, New Mexico

Order No. R-113, November 20, 1951, Establishing Pool.

T-10-S, R-37-E S/2 Sec. 32; SW/4 Sec. 33.

T-11-S, R-37-E Sec. 2.

EAST ECHOL-DEVONIAN POOL  
Lea County, New Mexico

Order No. R-1059, September 30, 1957, Establishing Pool, as Amended by Order No. R-1105, December 30, 1957.

T-11-S, R-38-E S/2 SE/4 Sec. 9; N/2 Sec. 16.

NORTH ECHOL-DEVONIAN POOL  
Lea County, New Mexico

Order No. R-175, July 24, 1952, Establishing Pool, as Amended by Order No. R-512, July 21, 1954.

T-10-S, R-37-E Sec. 21; SW/4 Sec. 22; NW/4 Sec. 27; NE/4 Sec. 28.

EIDSON-PENNSYLVANIAN POOL  
Lea County, New Mexico

Order No. R-286, March 10, 1953, Establishing Pool, as Amended by Order No. R-348, July 27, 1953; Order No. R-395, November 24, 1953; Order No. R-738, January 9, 1956; Order No. R-763, March 14, 1956; Order No. R-877, September 13, 1956.

Pool abolished by Order No. R-7222, March 1, 1983.

Case 8556

*Example*

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

*Case 8556*

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 4321  
Order No. R-3936

APPLICATION OF SUN OIL COMPANY-DX DIVISION  
FOR 320-ACRE SPACING, EDDY COUNTY, NEW  
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 25, 1970,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz..

NOW, on this 1st day of April, 1970, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Sun Oil Company-DX Division, seeks  
320-acre spacing for the Cass Ranch-Morrow Gas Pool, Eddy County,  
New Mexico.

(3) That by Order No. R-2651, dated February 14, 1964, the  
Cass Ranch-Morrow Gas Pool, Eddy County, New Mexico, was created  
and classified as a gas pool for Morrow production.

(4) That by Order No. R-2707, dated May 25, 1964, Rule 104  
of the New Mexico Oil Conservation Commission Rules and Regula-  
tions was amended in order to provide for 320-acre spacing for  
gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of  
Pennsylvanian age or older and created and defined after June 1,  
1964.

(5) That said Order No. R-2707 found that in Lea, Chaves, Eddy, and Roosevelt Counties, New Mexico, a gas well completed in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract.

(6) That the Morrow formation is a part of the Pennsylvanian formation.

(7) That, in the absence of evidence to the contrary, as prescribed by the notice of this case, the Commission finds that one well can efficiently and economically drain and develop 320 acres in said Cass Ranch-Morrow Gas Pool.

IT IS THEREFORE ORDERED:

(1) That effective immediately, the Cass Ranch-Morrow Gas Pool, Eddy County, New Mexico, shall be governed by all Commission Rules and Regulations applicable to gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older the same as if the subject pool had been created and defined by the Commission after June 1, 1964.

(2) That any well presently drilling to or completed in the Morrow formation within the Cass Ranch-Morrow Gas Pool or within one mile of the Cass Ranch-Morrow Gas Pool that will not comply with the well location requirements governing gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older created and defined after June 1, 1964, is hereby granted an exception to such location requirement. The operator shall notify the Artesia District Office of the Commission in writing of the name and location of the well on or before April 15, 1970.

(3) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the Cass Ranch-Morrow Gas Pool shall have dedicated thereto 320 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable. Until

-3-

CASE No. 4321

Order No. R-3936

said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the Cass Ranch-Morrow Gas Pool or in the Morrow formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

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*Better Example*

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 3526  
Order No. R-3194

APPLICATION OF MOBIL OIL COMPANY  
FOR 320-ACRE SPACING, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 8, 1967, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of February, 1967, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Mobil Oil Company, seeks 320-acre spacing for the Cemetary-Morrow Gas Pool, Eddy County, New Mexico.
- (3) That by Order No. R-2679, dated March 31, 1964, as amended by Order No. R-3139, dated October 26, 1966, the Cemetary-Morrow Gas Pool, Eddy County, New Mexico, was created and classified as a gas pool for Morrow production.
- (4) That by Order No. R-2707, dated May 25, 1964, Rule 104 of the New Mexico Oil Conservation Commission Rules and Regulations was amended in order to provide for 320-acre spacing for gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older and created and defined after June 1, 1964.
- (5) That said Order No. R-2707 found that in Lea, Chaves, Eddy, and Roosevelt Counties, New Mexico, a gas well completed

in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract.

(6) That the Morrow formation is a part of the Pennsylvanian formation.

(7) That, in the absence of evidence to the contrary, as prescribed by the notice of this case, the Commission finds that one well can efficiently and economically drain and develop 320 acres in the said Cemetary-Morrow Gas Pool.

IT IS THEREFORE ORDERED:

(1) That effective immediately, the Cemetary-Morrow Gas Pool, Eddy County, New Mexico, shall be governed by all Commission Rules and Regulations applicable to gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older the same as if the subject pool had been created and defined by the Commission after June 1, 1964.

(2) That any well presently drilling to or completed in the Morrow formation within the Cemetary-Morrow Gas Pool or within one mile of the Cemetary-Morrow Gas Pool that will not comply with the well location requirements governing gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older created and defined after June 1, 1964, is hereby granted an exception to such location requirement. The operator shall notify the Artesia District Office of the Commission in writing of the name and location of the well on or before March 1, 1967.

(3) That any operator desiring to dedicate 320 acres to a well presently drilling to or completed in the Cemetary-Morrow Gas Pool shall file a new Form C-102 with the Commission on or before March 1, 1967.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GOLTON B. HAYS, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

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