

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
LOURDES A. MARTINEZ

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

October 11, 1985

HAND DELIVERED

R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
State Land Office Building
Santa Fe, New Mexico 87501

RECEIVED
OCT 11 1985
OIL CONSERVATION DIVISION

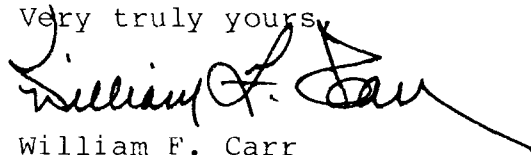
Case 8736

Re: Application of Southland Royalty Company for
Compulsory Pooling, Rio Arriba 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 placed on the
docket for the Examiner hearings scheduled on October 23, 1985.

Very truly yours,


William F. Carr

WFC/cv
enclosures

cc: (w/enclosure)
Mr. R. E. Fielder
Ms. Liz Taylor

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS, 1985

RECEIVED

OIL CONSERVATION DIVISION

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

Case 8736

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 base of the Dakota Formation, in and under the N/2 of Section 13, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 37.5% of the working interest in and under the N/2 of Section 13, and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to its Hawk Federal #4 Well to be drilled at an orthodox location in the SE/4 NW/4 of Section 13.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the N/2 of said Section 13, except for the following:

Mallon Oil Company	26.250% WI
A. G. Hill	12.500% WI
Kodiak Petroleum, Inc.	11.250% WI
Getty Oil Company (Texaco, Inc.)	3.125% WI
Northwest Pipeline Corporation	9.375% WI

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

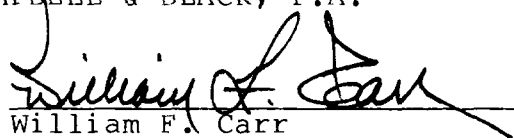
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on October 23, 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