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July 20, 1984

HAND DELIVERED

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

Case 8316

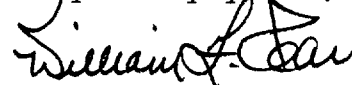
Re: Application of Southland Royalty Company for Compulsory
Pooling, Lea County, New Mexico.

Dear Mr. Ramey:

Enclosed in triplicate is the Application of Southland
Royalty Company in the above-referenced case. Southland Royalty
Company requests that this matter be included on the docket for
the Examiner Hearing scheduled for August 22, 1984.

Your attention to this request is appreciated.

Very truly yours,



William F. Carr

WFC/cv
enclosures

cc: Mr. Don Davis

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, LEA COUNTY,
NEW MEXICO.

Case 8316

APPLICATION

Comes now, Southland Royalty Company, by and through its undersigned attorneys and, as provided by §70-2-17, N.M.S.A. 1978, hereby makes application for an order pooling all of the mineral interests in the Pennsylvanian formation in and under the S/2 of Section 14, Township 24 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents 25% of the working interest in and under the S/2 of said Section 14, and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location 660 feet from the South line and 1980 feet from the East line of said Section 14.

3. The only interest owner who has not agreed to pool his interest for the drilling of the proposed well is Bass Enterprises Production Company, the owner of 75% of the working

interest in the Pennsylvania formation in the S/2 of said Section 14.

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

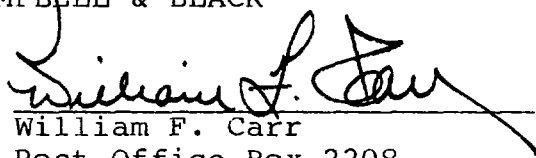
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner on August 22, 1984, 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 further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK

BY


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

ATTORNEYS FOR SOUTHLAND
ROYALTY COMPANY

CASE 8314:

Application of Cities Service Oil & Gas Corp. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line of Section 21, Township 21 South, Range 27 East, Burton Flats-Morrow Gas Pool, the N/2 of said Section 21 to be dedicated to the well.

CASE 8256: (Reopened)

Application of Getty Oil Company for surface commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Gallup, Dakota, Pictured Cliffs, and Chacra production from several wells on its Jicarilla B and C Leases, portions of which are in; Sections 5 and 6, Township 24 North, Range 5 West, and Sections 21, 22, 27, 28, 31, 32, 33, 34, in Township 25 North. In the absence of objection, this application will be approved based upon the prior record.

CASE 8315:

Application of Getty Oil Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval to downhole commingle all Grayburg-Jackson Pool and Fren-Seven Rivers production underlying its Skelly Unit located in Township 17 South, Range 31 East.

CASE 8316:

Application of Southland Royalty Company for compulsory pooling, Lea 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 14, Township 24 South, Range 33 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8317:

Application of Doyle Hartman for directional drilling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a Jalmat oil well from an unorthodox surface location 1450 feet from the North line and 120 feet from the West line of Section 20, Township 25 South, Range 37 East, to be bottomed at a standard Jalmat oil location in the NE/4 NE/4 of Section 19, Township 25 South, Range 37 East.

CASE 8318:

Application of Llano, Inc. for special well testing requirements, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order requiring testing of the Morrow formation at Llano's option by use of a Repeat Formation Tester in the L & B Oil Company's State Com. #2 Well located 1980 feet from the South line and 1980 feet from the West line of Section 11, Township 22 South, Range 34 East.

Docket No. 33-84

DOCKET: COMMISSION HEARING - THURSDAY-AUGUST 23, 1984

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

The following cases were continued from August 1, 1984, Commission Hearing

CASE 8287: Application of Bass Enterprises Production Co. for the amendment of Division Order No. R-111-A, Eddy and Lea Counties, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-111-A, as amended, by the inclusion of an Article whereby the Director of the Oil Conservation Division shall have the authority to grant approval, without notice and hearing, for the directional drilling of wells from orthodox and unorthodox surface locations outside the Potash-Oil Area to orthodox and unorthodox bottomhole locations beneath the Potash-Oil Area provided that the Salado formation is not penetrated therein.

CASE 8288: Application of Bass Enterprises Production Co. for the approval of drilling islands and special rules for the Potash-Oil Area, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of 18 specified drilling islands for the drilling of shallow and deep wells (above or below the base of the Strawn formation) and for special rules to be applied therein including approval of vertical and directional drilling; orthodox and unorthodox surface and bottomhole locations; and special drilling, casing and cementing requirements all within or in the vicinity of the Potash-Oil Area as defined in Division Order R-111-A, as amended.