

CAVE UNIT
JEM RESOURCES
INC. (OPER.)

GRAYBURG-JACKSON
WEST CO-OP UNIT

TENNECO (OPER.)

SO. ROY (OPER.)

EMPIRE SO.
DEEP UNIT

BALLARD (GRBG-SA)
UNIT

ANADARKO
(OPER.) UNIT

WEST LOCO-HILLS
UNIT

SRC-EMPIRE STATE "16" COM. #1

STATE EXAMINER
CONCESSION
EXHIBIT NO. 8367

NO. 26

NO. 25

NO. 24

NO. 23

NO. 22

NO. 21

BEFORE EXAMINER QUINTERA	
OIL CONSERVATION DIVISION	
SRC	EXHIBIT NO. 3
CASE NO.	8362

June 28, 1984

Mr. John H. Trigg
P. O. Box 520
Roswell, New Mexico 88201

Re: Farmout Request
SW/4 NW/4, NW/4 NE/4, SE/4 SE/4
Sec. 16, T18S, R29E,
Eddy County, New Mexico
Loco Hills Deep Prospect #1873

Dear Mr. Trigg:

Reference is made to the above subject acreage which, according to a recent federal takeoff, is currently held under lease by John H. Trigg. Southland is presently attempting to secure support from the leasehold owners in Section 16 for the drilling of an approximate 11,300' Morrow test. Upon verification that your ownership as shown in the captioned is correct, Southland request that you support our proposed well by the granting of a farmout of your interest under the following general terms:

1. On or before 120 days from execution of a mutually acceptable farmout agreement between John H. Trigg, (farmor) and Southland (farmee), farmee will commence the drilling of an approximate 11,300' Morrow test at a location of 1980' FNL and 660' FWL of Section 16. Completion of the initial test as a dry hole will earn Southland no interest in the farmout lands, but farmee will be allowed the option of drilling an additional well at a legal location on the balance of the farmout acreage. Completion of the initial test well as a producer of oil and/or gas in commercial quantities will earn farmee 100% of farmor's interest in the drilled proration unit to a depth of 100' below the total depth drilled, as well as earning farmee 50% of farmor's interest in the balance of farmout lands.
2. Farmor will retain in the proration unit around the initial test well an overriding royalty interest equal to 1/16ths of 6/8ths of production, delivering to farmee no less than a 75% net revenue interest. Farmor will also retain the right and option of converting the retained override to a 25% working interest after payout of the initial well (all proportionately reduced).

Subject: Farmout Request
Eddy County, New Mexico

If the above proposal meets with your approval, please notify me and I will have the appropriate instrument prepared. If you have any questions concerning the proposal, please contact the undersigned.

Yours very truly,

SOUTHLAND ROYALTY COMPANY


Don W. Davis

Landman

DWD/slw

DWD

September 28, 1984

Mr. J. H. Trigg
P. O. Box 520
Roswell, NM 88201

RE: SRC-Impire "16" State Com. #1
W/2 Section 16, T18S, R29E
Eddy Co., NM
JO #501372

Dear Mr. Trigg,

Reference is made to my earlier letter requesting a farmout of your interest in the W/2 of Section 16, T18S, R29E. I have not, as of yet, received a rejection or an acceptance of our proposal. Attached, please find three (3) originals of an AFE prepared to cover this well. If you choose to join in the Empire "16" State Com. #1, please execute all originals of this AFE returning two (2) executed originals to our Midland office.

If you have any questions concerning this matter, please contact me.

Yours very truly,

SOUTHLAND ROYALTY COMPANY

Original Signed By
DON W. DAVIS

Don W. Davis
Landman

DWD:pjs

Enclosure

Southland Royalty Company



RECORD ID 02
2-3
SEO 000
14-16

SOUTHLAND ROYALTY COMPANY
1100 Wall Towers West
Midland, Texas 79701

COMPANY NO. 01

AUTHORIZATION FOR EXPENDITURE

AFE NUMBER 10 13

ADD A CHANGE 17 DELETE 17

LEASE/UNIT NO. 19 26

AFE DATE 6 / 21 / 84 NAME SRC-Empire "16" State Com No. 1

ORIGINAL 0 SUPPLEMENTAL 73 SRC OPERATOR Y

AUTHORITY IS REQUESTED TO: Drill and complete a 11,300' Lower Morrow step-out

WILDCAT 77 DEV. D

LOCATION: 1980' FNI & 660' FWL, Sec. 16, T-18-S, R-29-E, Eddy County, New Mexico

FOOTAGE	TANGIBLE—249	ESTIMATED COST	
		PRODUCING	TO CASING PT.
	01 01 Conductor or Drive Pipe	\$	\$
<u>350'</u>	01 02 Casing <u>13 3/8" 48# H-40 ST&C @ \$25.58/ft</u>	8,953	8,953
<u>2100'</u>	03 <u>8 5/8" 24# K-55 ST&C @ \$12.94/ft</u>	27,174	27,174
<u>1000'</u>	04 <u>8 5/8" 28# S-80 ST&C @ \$15.51/ft</u>	15,510	15,510
<u>5910'</u>	05 <u>5 1/2" 17# N-80 IT&C @ \$11.49/ft</u>	67,906	
<u>5390'</u>	06 <u>5 1/2" 17# K-55 IT&C @ \$9.36/ft</u>	50,450	
	07		
	08		
<u>11100'</u>	02 09 Tubing <u>2 3/8" 4 7# N-80 EUE @ \$4.70/ft</u>	52,170	
	03 10 Wellhead	35,000	10,000
	04 11 Packer	5,000	
	04 12 Artificial Lift		
	05 13 Tank Battery	45,000	
	10 14 Other Equipment	3,837	2,363
	15 TOTAL TANGIBLE 100%	\$ 311,000	\$ 64,000
	16 SRC <u>0</u>	\$	\$
	INTANGIBLE—248		
	22 17 Drilling <u>11300 ft. @ \$ 16 /ft.</u>	\$ 180,800	\$ 180,800
	18 Rig, Day Work <u>6 days @ \$ 4800 /day</u>	28,800	28,800
	01 19 Rig Moving Costs	-0-	-0-
	02 20 Completion Rig <u>days @ \$ /day</u>	9,600	-0-
	03 21 Roustabout & Miscellaneous Labor	20,000	15,000
	04 22 Auto, Trucking, Barge, Tug	25,000	20,000
	05 23 Roads, Canals, Location, Damages, Cleanup	25,000	20,000
	06 24 Mud, Oil, Water, Chemicals	60,000	50,000
	07 25 Drill Stem Tests	-0-	-0-
	08 26 Electric Logs & Bond Logs	23,000	23,000
	09 27 Cement, Centralizer, Scratchers, Service	50,000	40,000
	10 28 Bits, Fuel	1,000	-0-
	11 29 Rental Equipment	25,000	20,000
	12 30 Core & Analyses	-0-	-0-
	13 31 Bottle Tests & Sidewall Cores	-0-	-0-
	14 32 Perforate	10,000	-0-
	15 33 Acid & Frack	6,000	-0-
	16,23 34 Geological & Engineering	6,000	4,000
	17 35 Mud Logger	10,000	10,000
	18 36 Cost of Control Insurance (SRC Only)	4,500	4,500
	240,07 37 Miscellaneous & Unforeseen <u>@ 10%</u>	49,300	42,900
	19,20,21 38 District & Overhead Expense	9,000	9,000
	39. TOTAL INTANGIBLE 100%	\$ 543,000	\$ 468,000
	40. SRC <u>0</u>	\$	\$
	41. GRAND TOTAL COSTS	\$ 854,000	\$ 532,000
	42. SRC <u>0</u>	\$	\$

Premium pricing may be used for tubular goods. Such pricing will be limited to mill base plus "out-of-stock" charges. Do you wish to furnish tubulars in kind?

YES _____ NO _____

DDR
Prepared by D. Roberts

AUTHORIZATION REQUESTED

AUTHORIZATION APPROVED

SRC

4
Company

8362

By

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
RUTH S. MUSGRAVE
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

September 24, 1984

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John H. Trigg
201 E. Hobbs
Roswell, New Mexico 88201

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

Dear Mr. Trigg:

Enclosed is a copy of the docket for the Oil Conservation
Division Examiner hearings scheduled for Wednesday, October 3,
1984. You have an interest which may be affected by the above-
referenced case.

Very truly yours,

William F. Carr

William F. Carr

BEFORE EXAMINER OIL CONSERVATION DIVISION	
SRC	EXHIBIT NO. 5
CASE NO. 8362	

WFC/cv
enclosure

PS Form 3849, Apr. 1976

POSTAGE	SENT TO	John H. Trigg
	SHEET AND NO.	201 E. Hobbs
CERTIFIED FEE	POSTAL STATE AND ZIP CODE	Roswell, N.M. 88201
	POSTAGE	\$ 2.04
CONDUCT POSTMASTER FOR FEES	POSTAGE	75
	CERTIFIED FEE	1.55
TOTAL POSTAGE AND FEES	POSTAGE	1.55
	CERTIFIED FEE	1.55

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED -
NOT FOR INTERNATIONAL MAIL
(See Reverse)

P 243 076 894

9-24-84

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
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TELEPHONE: (505) 988-4421
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September 24, 1984

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

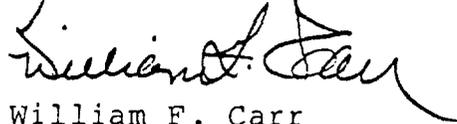
Mr. Danny Kidwell
Cities Service Company
Box 1919
Midland National Bank Towers
Midland, Texas 79701

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

Dear Mr. Kidwell:

Enclosed is a copy of the docket for the Oil Conservation
Division Examiner hearings scheduled for Wednesday, October 3,
1984. Cities Service Company has an interest which may be
affected by the above-referenced case.

Very truly yours,



William F. Carr

WFC/cv
enclosure

P 243 076 896

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

PS Form 3811, Apr. 1976

SENT TO Denny Kidwell, Citis Sewell Co. Box 1919 Midland, TX 79701		POSTAGE \$ 2.04
CONSULT POSTMASTER FOR FEES		
OPTIONAL SERVICES		
RETURN RECEIPT SERVICE		\$ 40
SPECIAL DELIVERY		\$ 1.55
RESTRICTED DELIVERY		
SHOW TO WHOM AND DATE DELIVERED		
SHOW TO WHOM AND DATE DELIVERED		
SHOW TO WHOM AND DATE DELIVERED		
SHOW TO WHOM AND DATE DELIVERED		
SHOW TO WHOM AND DATE DELIVERED		
TOTAL POSTAGE AND FEES		\$ 1.55
POSTMARK ON DATE		9-24-84

PS Form 3811, Dec. 1983

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, 3, and 4. Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
 Show to whom and date delivered \$
 Show to whom, date, and address of delivery .. \$
 RESTRICTED DELIVERY (The restricted delivery fee is charged in addition to the return receipt fee.) .. \$

TOTAL \$ _____

2. ARTICLE ADDRESSED TO: D. Kidwell
Citis Sewell Co.
Box 1919
Midland, TX 79701

3. TYPE OF SERVICE: REGISTERED INSURED
 CERTIFIED COD
 EXPRESS MAIL

ARTICLE NUMBER: P243076896

I have received the article described above.

SIGNATURE: Addressee Authorized agent
 R. E. Stelf

5. DATE OF DELIVERY: _____ POSTMARK: _____

6. ADDRESSEE'S ADDRESS (Only if registered): _____

7. UNABLE TO DELIVER BECAUSE: _____

7a. APPROVED BY: _____

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
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SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

September 24, 1984

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

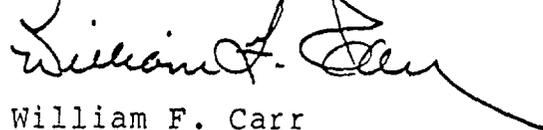
Mr. Boyd Nelson
Conoco, Inc.
Five Greenway Plaze E.
Houston, Texas 77001

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

Dear Mr. Nelson:

Enclosed is a copy of the docket for the Oil Conservation
Division Examiner hearings scheduled for Wednesday, October 3,
1984. Conoco, Inc. has an interest which may be affected by the
above-referenced case.

Very truly yours,



William F. Carr

WFC/cv
enclosure

PS Form 3811, Dec. 1980

SENDER: Complete items 1, 2, 3, and 4. Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
 Show to whom and date delivered
 Show to whom, date, and address of delivery ..
 RESTRICTED DELIVERY
 (The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL \$

3. ARTICLE ADDRESSED TO:
 Boyd Nelson
 Conoco, Inc.
 Five Greenway Plaza E.
 Houston, TX 77001

4. TYPE OF SERVICE: ARTICLE NUMBER
 REGISTERED INSURED P243076 895
 CERTIFIED COD
 EXPRESS MAIL

I have received the article described above.
 SIGNATURE Address Authorized agent
 DATE OF DELIVERY SEP 26 1984 POSTMARK
 ADDRESSEE'S ADDRESS (Only if requested)
 UNABLE TO DELIVER BECAUSE: EMPLOYEE'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

PS Form 3811, Apr. 1976

CONSULT POSTMASTER FOR FEES

POSTAGE \$ 2.00
 45
 1.55

9-24-84

BOYD NELSON, CONOCO, INC.
 5 GREENWAY PLAZA E.
 HOUSTON, TX 77001

NO INSURANCE COVERAGE PROVIDED—
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

P 243 076 895
 RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED—
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)