

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
SOUTHWEST ROYALTIES, INC., FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO

FEB 22 1994

CASE NO. 10934

APPLICATION

Southwest Royalties, Inc., hereby makes application pursuant to the provisions of § 70-2-17 N.M.Stat.Ann. (1978) for an order pooling all mineral interests from the surface to the base of the San Andres formation or to a depth of 4,900 feet in the Eumont Pool for all formations and/or pools developed on a 40-acre spacing in and under the NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 29, Township 18 South, Range 37 East N.M.P.M. Lea County, New Mexico, and in support thereof states:

(1) Applicant owns or represents the full working interest in and under the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 29 save and except only the unleased mineral interests of:

Geodyne Nominee Corporation	12.5% Unleased Mineral Interest
2 West Second Street	
Tulsa, Oklahoma 74103	

Beams Mineral Company, a	0.625% Unleased Mineral Interest
Texas general partnership	
844 One Energy Square	
Dallas, Texas 75206	

and the possible leasehold interest of Jennings Drilling Company, a terminated and defunct general partnership whose general partners were Alan Antweil, Ken Jennings and William Hollis.

(2) Applicant has the right to drill and proposes to dedicate the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 29 to a well located at a standard location thereon to a depth of approximately 4,900 feet to test the San Andres formation.

(3) Applicant has sought but has been unable to obtain voluntary agreement for development of this acreage from those owners heretofore named.

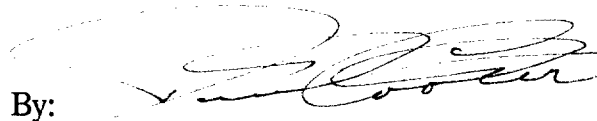
(4) Pooling of those interests will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

(5) In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the land heretofore described, the interests heretofore described should be pooled and Applicant should be designated the operator of the well to be drilled thereon.

Wherefore, Applicant prays that this application be set for hearing before an examiner of the Oil Conservation Division on March 17, 1994 and, after notice and hearing as required by law, the Division enter its Order pooling the land heretofore described, 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 Applicant in drilling, completing and equipping the well, and making such other and further provisions as may be proper.

Respectfully submitted,

Rodey, Dickason, Sloan, Akin & Robb, P.A.

By: 

Paul A. Cooter
P.O. Box 1357
Santa Fe, New Mexico 87504-1357