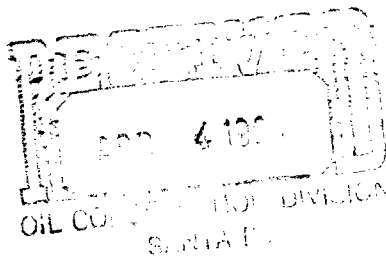


CAMPBELL, BYRD & BLACK, P.A.

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April 2, 1984

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

Re: Application of Southland Royalty Company for Exemption
of Certain Replacement Wells from the New Mexico Natural
Gas Pricing Act.

Dear Mr. Ramey:

Southland Royalty Company is the operator of the following
four (4) wells which are replacement wells, as defined by Rule 1
of Commission Order R-5436: Arizona Jicarilla B #5R (Mesa
Verde), Cain #3R (Mesa Verde), Hanks #12Y (Dakota), Reid #12E
(Dakota).

An application for exemption from the New Mexico Natural Gas
Pricing Act was filed pursuant to Order R-5436 for the Reid #22R
well on February 21, 1984. Southland will file applications for
each of the other wells set out above in the immediate future.

We hereby request that a hearing be set before the Oil
Conservation Commission for the purpose of exempting each of
these replacement wells from the Natural Gas Pricing Act pursuant
to Section 62-7-5, N.M.S.A. 1978 Comp.

At present, Southland has nine (9) applications for exemp-
tion for certain infill wells pending before the Commission that
will be heard at some date following the April 12, 1984 hearing.
It is our understanding that these additional applications will

Mr. Joe D. Ramey
April 2, 1984
Page Two

be set for hearing in late April or early May. Southland requests that all remaining hearings for exemption, either for infill or replacement wells be set for hearing before the Commission at the earliest possible time in late April or early May, 1984.

Your attention to this request is appreciated.

Very truly yours,



William F. Carr

WFC/cv

cc: Mr. R. E. Fielder
Mr. Don Plattsmier

CAMPBELL, BYRD & BLACK, P.A.

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August 2, 1984

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AUG 3 1984

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

OIL CONSERVATION DIVISION

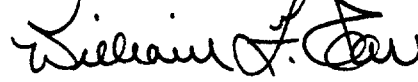
Re: Case 8265: Application of Southland Royalty Company
for Exemption from the New Mexico Natural Gas Pricing
Act.

Dear Mr. Ramey:

Pursuant to your directive of July 17, 1984, I enclose
herewith a proposed Order in the above-referenced case.

If you need anything further from us to proceed with these
applications, please advise.

Very truly yours,



William F. Carr

WFC/cv
enclosure

cc: Mr. R. E. Fielder (w/encl.)
Mr. Don Plattsmier (w/encl.)