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March 15, 1985

Case 8557

HAND DELIVERED

R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

RECEIVED

MAR 15 1985

OIL CONSERVATION DIVISION

Re: Application of Southland Royalty Company for Compulsory Pooling, Eddy 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 included on the docket for the April 10, 1985 examiner hearings.

Your attention to this request is appreciated.

Very truly yours,

William F. Carr

WFC/cv enclosures

cc: Mr. Don Davis

BEFORE THE

FILEIVED

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

OIL COMSERVATION DIVISION

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

Case _ 8657

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 top of the Wolfcamp formation, in and under the NW/4, and all of the mineral interests from the top of the Wolfcamp formation to the base of the Pennsylvanian formation, in and under the W/2 of Section 21, Township 16 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

- 1. Applicant owns or represents approximately 50% of the working interest in and under the NW/4 of Section 21, and 75% of the working interest in and under the W/2 of said Section 21, and applicant has the right to drill thereon.
- 2. Applicant proposes to dedicate the above-referenced pooled unit to a well to its Duffield Federal 21 Com No. 1 well to be drilled at an orthodox location 1980 feet from the North line and 660 feet from the West line of said Section 21.

- 3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the W/2 of said Section 21, except for Donald R. Link, 445 Petroleum Building, Denver, Colorado 80202, owner of a 50% working interest under the NW/4 and a 25% working interest under the W/2 of said Section 21.
- 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 April 10, 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
Office Box

Post Office Box 2208

Santa Fe, New Mexico 87501

(505) 988-4421

ATTORNEYS FOR SOUTHLAND ROYALTY COMPANY

TOWNSHIP	16 South	Range 17 East	NMPM
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7	8	9 10	
18	17	16 15	14 13
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