

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
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

October 11, 1985

HAND DELIVERED

Circle 8735

RECEIVED

OCT 11 1985

OIL CONSERVATION DIVISION

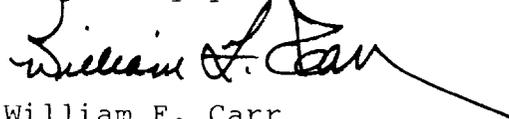
R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
State Land Office Building
Santa Fe, New Mexico 87501

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 placed on the docket for the Examiner hearings scheduled on October 23, 1985.

Very truly yours,



William F. Carr

WFC/cv
enclosures

cc: (w/enclosure)
Mr. James B. Shepard, III

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

RECEIVED
OCT 11 1965

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

OIL CONSERVATION DIVISION

Case 8 235

APPLICATION

Comes now SOUTHLAND ROYALTY COMPANY (applicant), 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 top of the Wolfcamp formation to the base of the Morrow formation, in and under the W/2 of Section 26, Township 19 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 50.00% of the working interest in and under the W/2 of Section 26, 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 1980 feet from the North line and 660 feet from the West line of said Section 26.
3. Applicant has sought and has not obtained either voluntary agreement for pooling or farmout from all other interest owners in the W/2 of said Section 26, which owners are as follows:

a. Depco, Inc., Suite 875, Empire Plaza, Midland, Texas 79701, owner of approximately a 7.986% working interest in the W/2 of Section 26;

b. Marathon Oil Company (Husky Oil Co.), P. O. Box 552, Midland, Texas 79702, owner of approximately a 7.986% working interest in the W/2 of Section 26;

c. Hondo Oil and Gas Co., c/o ARCO Oil and Gas Co., P. O. Box 1610, Midland, Texas 79701, owner of approximately a 25% working interest in the W/2 of Section 26; and

d. Yates Petroleum Corp., 207 S. Fourth Street, Artesia, New Mexico 88210, owner of approximately a 9.028% working interest in the W/2 of Section 26.

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 October 23, 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 and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P. A.

By 

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

ATTORNEYS FOR SOUTHLAND
ROYALTY COMPANY