

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

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

Case 8362

APPLICATION

Comes now, SOUTHLAND ROYALTY COMPANY, by and through its undersigned attorneys and, as provided by §70-2-17, N.M.S.A. (1978), hereby makes application for an order pooling all of the mineral interests in the Pennsylvanian formation in and under the W/2 of Section 16, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 56.25% of the working interest in and under the W/2 of Section 16, 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 16.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the W/2 of Section 16, except the following:

John Trigg	6.25% WI
Conoco, Inc.	12.5% WI
Cities Service Company	25% WI

4. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

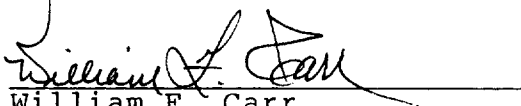
5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing on October 3, 1984 before a duly appointed examiner of the Oil Conservation Division, 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, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By


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

ATTORNEYS FOR SOUTHLAND
ROYALTY COMPANY