

DATE IN 11-12-09	SUSPENSE	ENGINEER Brooker	LOGGED IN 11-12-09	TYPE NSL	PTG-W APP NO 0931654596
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



Nearburg  
Jade 34 Fed Com #1

## ADMINISTRATIVE APPLICATION CHECKLIST 30-025-34390

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

4017-A

### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504

Signature

Attorney for Applicant

Title

Date

jamesbruc@aol.com

e-mail Address

RECEIVED OCD  
2009 NOV 10 P 4:23

11/10/09

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

November 10, 2009

Hand delivered

Mark E. Fesmire, P.E.  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Pursuant to NMAC 19.15.15.13, Nearburg Producing Company applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Jade 34 Fed. Com. Well No. 1
<u>Location:</u>	1980 feet FSL & 1150 feet FEL
<u>Well Unit:</u>	NE $\frac{1}{4}$ SE $\frac{1}{4}$ §34-19S-34E, Lea County, New Mexico

The well was drilled to and completed in the Morrow formation in 1998. The location was unorthodox at that time, and the location was approved by Administrative Order NSL-4017. **Exhibit A.** Applicant intends to re-complete the well uphole in the Wolfcamp formation (Undesignated Gem-Wolfcamp Pool) and/or Bone Spring formation (Undesignated Gem-Bone Spring Pool). The pools are developed on statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line. A Form C-102 for the well is attached as **Exhibit B.**

The E $\frac{1}{2}$  of Section 34 is covered by Federal Lease NM 97896 (**Exhibits C and D**), which has common interest ownership in the subject formations. Therefore, there is no adversely affected interest owner, and notice of this application is not required.

Very truly yours,

  
James Bruce

Attorney for Nearburg Producing Company

*Tender on SW Airstrip*

*33E*

*Tracy  
PS  
S. Quail  
Ridge*



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2840 South Pacheco Street  
Santa Fe, New Mexico 87508  
(505) 827-7131

April 23, 1998

CW

Nearburg Exploration Company, L.L.C.  
c/o Campbell, Carr, Berge & Sheridan, P.A.  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208  
Attention: William F. Carr

Administrative Order NSL-4017

Dear Mr. Carr:

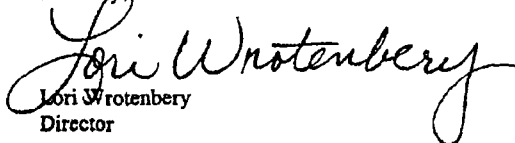
Reference is made to the following: (i) your original application on behalf of the operator, Nearburg Exploration Company, L.L.C. ("Nearburg"), dated April 16, 1998; (ii) the Division's initial response to said application by letter from Mr. Michael E. Stogner dated April 20, 1998 requesting that the notification requirements for an unorthodox gas well location be adhered to; (iii) your amended application dated April 21, 1998; (iv) your response dated April 23, 1998 to Mr. Stogner's request of April 20, 1998; and, (v) the records of the Division in Santa Fe: all concerning Nearburg's request for an unorthodox Morrow gas well location for its proposed Jade "34" Federal Com. Well No. 1 to be drilled 1980 feet from the South line and 1150 feet from the East line (Unit I) of Section 34, Township 19 South, Range 33 East, NMPM, Undesignated East Gem-Morrow Gas Pool, Lea County, New Mexico. The S/2 of said Section 34 being a standard 320-acre gas spacing and proration unit for said pool is to be dedicated to Nearburg's proposed Jade "34" Federal Com. Well No. 1.

It is our understanding that Nearburg's proposed Jade "34" Federal Com. Well No. 1 is within the Oil/Potash "R-111-P" area, and is therefore subject to all applicable restrictions and rules therein. Further, it is our understanding that the federal surface management agency (U. S. Bureau of Land Management) refused to approve a standard gas well location within the proposed 320-acre unit proposed by Nearburg but would approve the subject location.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

  
Lori Wrotenberg  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
U. S. Bureau of Land Management - Carlsbad

EXHIBIT

A

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. Box 2088, Santa Fe, N.M. 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT OF

API Number <b>30-025-34390</b>	Pool Code <b>77380</b>	Pool Name <b>Gem-East - <del>Morrow</del> B/S + W/C</b>
Property Code <b>23239</b>	Property Name <b>JADE 34 FEDERAL COM</b>	Well Number <b>1</b>
OGRID No. <b>15742</b>	Operator Name <b>NEARBURG PRODUCING COMPANY</b>	Elevation <b>3583</b>

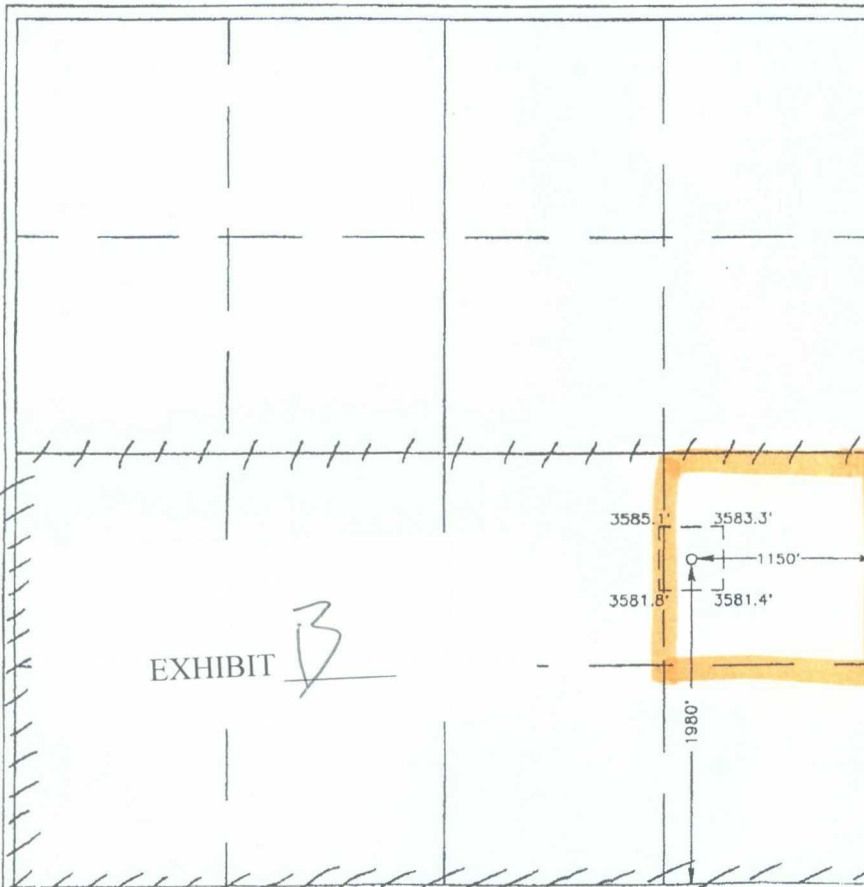
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>1</b>	<b>34</b>	<b>19 S</b>	<b>33 E</b>		<b>1980</b>	<b>SOUTH</b>	<b>1150</b>	<b>EAST</b>	<b>LEA</b>

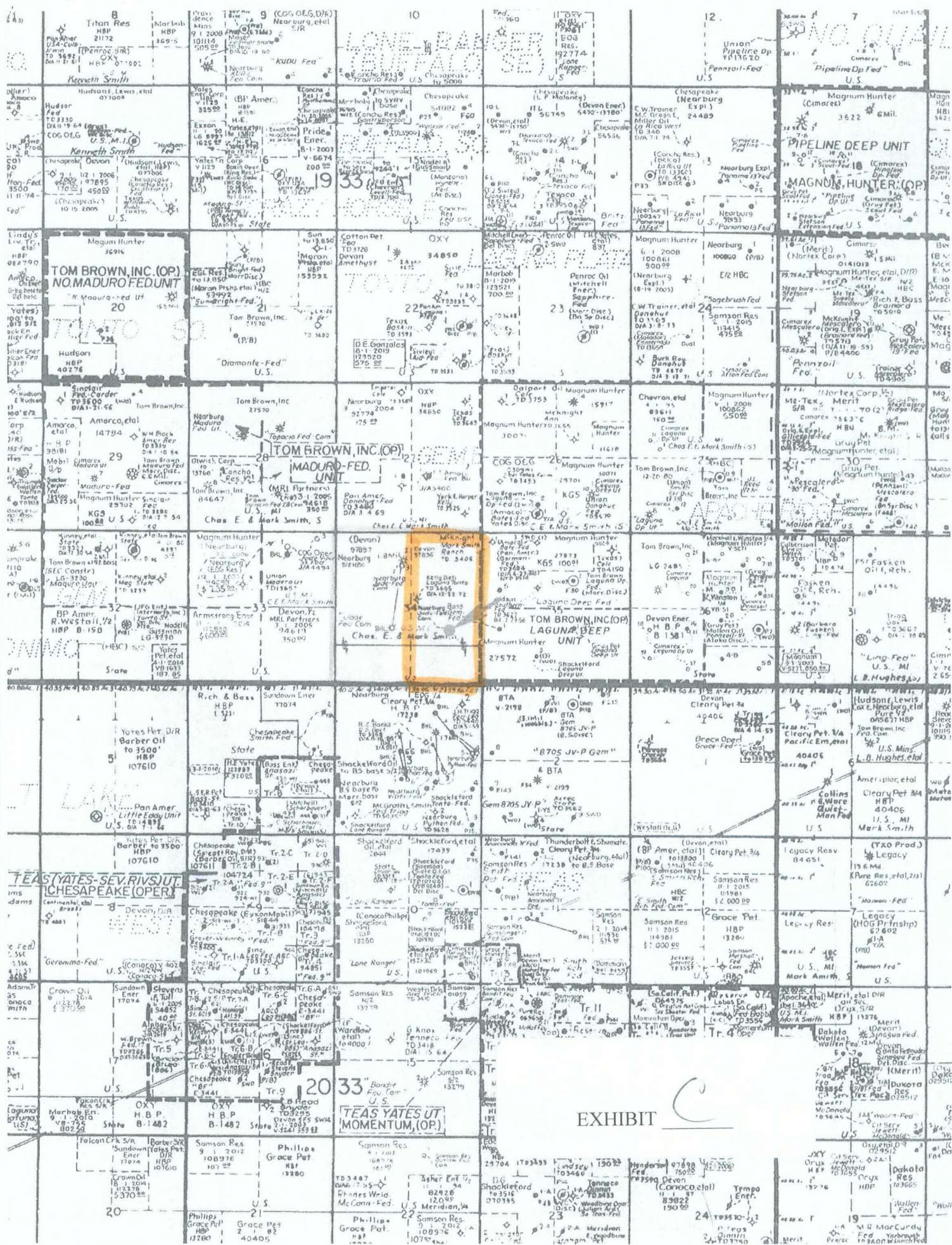
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <b>320</b>	Joint or Infill <b>N</b>	Consolidation Code	Order No. <b>NSL-4017</b>						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>E. Scott Kimbrough</u> Signature</p> <p>E. Scott Kimbrough Printed Name</p> <p>Mgr. of Drlg &amp; Prod. Title</p> <p>April 22, 1998 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p><u>RONALD J. EIDSON</u> Signature &amp; Seal of Professional Surveyor</p> <p>April 22, 1998 Date Surveyed</p> <p>DMCC</p>
	<p>Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641 WACON McDONALD 12185</p>







**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

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Page 1 of 2

**01 12-22-1987;101STAT1330;30USC181 ET SE**  
**Case Type 312021: O&G LSE COMP PD -1987**  
**Commodity 459: OIL & GAS L**  
**Case Disposition: AUTHORIZED**

**Total Acres**  
**320.000**

**Serial Number**  
**NMNM-- - 097896**

Serial Number: NMNM-- - 097896

**Name & Address**

**Int Rel % Interest**

BWB PARTNERS I	PO BOX 51407	MIDLAND TX 79710	OPERATING RIGHTS	0.000000000
COLKELAN CORP	PO BOX 1933	ROSWELL NM 88202	OPERATING RIGHTS	0.000000000
DEVON ENERGY PROD CO LP	20 N BROADWAY #1500	OKLAHOMA CITY OK 73102	OPERATING RIGHTS	0.000000000
DEVON ENERGY PROD CO LP	20 N BROADWAY #1500	OKLAHOMA CITY OK 73102	LESSEE	100.000000000
EGL RESOURCES INC	PO BOX 10886	MIDLAND TX 79702	OPERATING RIGHTS	0.000000000
EXPLORERS PETRO CORP	PO BOX 1933	ROSWELL NM 882021933	OPERATING RIGHTS	0.000000000
HARVEY E YATES CO	PO BOX 1933	ROSWELL NM 882021933	OPERATING RIGHTS	0.000000000
HEYCO EMPLOYEES LTD	PO BOX 1933	ROSWELL NM 88202	OPERATING RIGHTS	0.000000000
JAMES H YATES INC	PO BOX 1933	ROSWELL NM 882021933	OPERATING RIGHTS	0.000000000
NEARBURG EXPL CO LLC	3300 N A ST #120	MIDLAND TX 79705	OPERATING RIGHTS	0.000000000
PETRAITIS OG INC	PO BOX 371	MIDLAND TX 79702	OPERATING RIGHTS	0.000000000
PRINTZ LTD	PO BOX 371	MIDLAND TX 79702	OPERATING RIGHTS	0.000000000
S E S OIL & GAS INC	BOX 371	MIDLAND TX 79702	OPERATING RIGHTS	0.000000000
SPIRAL INC	BOX 1933	ROSWELL NM 88202	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 097896

Mer Twp	Rng	Sec	STyp	SNr	Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0190S	0330E	034	ALIQ	E2;		CARLSBAD FO	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 097896  
 Pending Office

Act Date	Code	Action	Action Remarks
10/15/1996	387	CASE ESTABLISHED	9610090
10/16/1996	191	SALE HELD	
10/16/1996	267	BID RECEIVED	\$147200.00;
10/16/1996	392	MONIES RECEIVED	\$640.00;
10/29/1996	392	MONIES RECEIVED	\$146560.00;
11/13/1996	237	LEASE ISSUED	
11/13/1996	974	AUTOMATED RECORD VERIF	BCO
12/01/1996	496	FUND CODE	05;145003
12/01/1996	530	RLTY RATE - 12 1/2%	
12/01/1996	868	EFFECTIVE DATE	
12/06/1996	084	RENTAL RECEIVED BY MMS	\$480.00;11/MULTIPLE
03/20/1997	963	CASE MICROFILMED	
04/07/1997	575	APD FILED	
04/07/1997	932	TRF OPER RGTS FILED	PENWELL/NEARBURG
04/21/1997	933	TRF OPER RGTS APPROVED	EFF 05/01/97;
04/21/1997	974	AUTOMATED RECORD VERIF	ANN
06/10/1997	577	APD WDN/TERM/CANC	1-JADE "34" FED COM
10/15/1997	084	RENTAL RECEIVED BY MMS	(1)\$480.00;21/0000094
10/15/1997	084	RENTAL RECEIVED BY MMS	(2)\$480.00;21/0000094
08/06/1998	246	LEASE COMMITTED TO CA	NMNM101340;
08/06/1998	650	HELD BY PROD - ACTUAL	NMNM101340;
10/01/1998	932	TRF OPER RGTS FILED	PENWELL/NEARBURG
10/21/1998	933	TRF OPER RGTS APPROVED	EFF 11/01/98;
10/21/1998	974	AUTOMATED RECORD VERIF	JLV

NO WARRANTY IS MADE BY BLM  
 FOR USE OF THE DATA FOR  
 PURPOSES NOT INTENDED BY BLM

EXHIBIT

*12*

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

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11/10/1998	932	TRF OPER RGTS FILED	NEARBURG/PETRAITIS
12/23/1998	933	TRF OPER RGTS APPROVED	EFF 12/01/98;
12/23/1998	974	AUTOMATED RECORD VERIF	ANN
01/25/1999	899	TRF OF ORR FILED	
02/10/1999	140	ASGN FILED	PENWELL/CONCHO
02/10/1999	932	TRF OPER RGTS FILED	PENWELL/CONCHO
02/26/1999	139	ASGN APPROVED	EFF 03/01/99;
02/26/1999	933	TRF OPER RGTS APPROVED	EFF 03/01/99;
02/26/1999	974	AUTOMATED RECORD VERIF	JLV
06/17/1999	932	TRF OPER RGTS FILED	NEARBURG/HEYCO ETAL
07/12/1999	933	TRF OPER RGTS APPROVED	EFF07/01/99;
07/12/1999	974	AUTOMATED RECORD VERIF	ANN
08/30/1999	246	LEASE COMMITTED TO CA	NMNM103134;
08/30/1999	660	MEMO OF 1ST PROD-ALLOC	/1/
11/02/1999	643	PRODUCTION DETERMINATION	/1/ NMNM103134
03/24/2000	932	TRF OPER RGTS FILED	SES O&G/EGL RESOURCES
05/10/2000	933	TRF OPER RGTS APPROVED	EFF 04/01/00;
05/10/2000	974	AUTOMATED RECORD VERIF	JLV
08/16/2001	817	MERGER RECOGNIZED	CONCHO RES/DEVON ENE
10/15/2001	932	TRF OPER RGTS FILED	COLKELAN CORP;1
10/15/2001	932	TRF OPER RGTS FILED	EXPLORERS PETROLEUM;1
10/15/2001	932	TRF OPER RGTS FILED	HARVEY E YATES CO;1
10/15/2001	932	TRF OPER RGTS FILED	HEYCO EMPLOYEES LTD;1
10/15/2001	932	TRF OPER RGTS FILED	JAMES H YATES INC;1
10/15/2001	932	TRF OPER RGTS FILED	SPIRAL INC;1
03/14/2002	933	TRF OPER RGTS APPROVED	01EFF 11/01/01;
03/14/2002	933	TRF OPER RGTS APPROVED	02EFF 11/01/01;
03/14/2002	933	TRF OPER RGTS APPROVED	03EFF 11/01/01;
03/14/2002	933	TRF OPER RGTS APPROVED	04EFF 11/01/01;
03/14/2002	933	TRF OPER RGTS APPROVED	05EFF 11/01/01;
03/14/2002	933	TRF OPER RGTS APPROVED	06EFF 11/01/01;
03/14/2002	974	AUTOMATED RECORD VERIF	LR
12/03/2004	660	MEMO OF 1ST PROD-ALLOC	3-JADE 34 FED COM

**Line Nr**                      **Remarks**    **Serial Number: NMNM-- - 097896**

0002	05/10/2000 - BONDED OPERATOR
0003	NEARBURG PRODUCING CO. - NM0115 - S/W
0004	BONDED LESSEE - PER ABSS
0005	03/14/2002 - DEVON ENERGY PROD CO LP - C01104 - N/W;