

DATE IN <u>6-1-10</u>	SUSPENSE	ENGINEER <u>DB.</u>	LOGGED IN <u>6-1-10</u>	TYPE <u>NSL</u>	APP NO <u>10/5250628</u>
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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



RECEIVED OGD
NEARBURG
2010 JUN -1 P 1:02

ADMINISTRATIVE APPLICATION CHECKLIST KL 33 Fed Com 1

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

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

6/8/10

6206

JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

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SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
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(505) 982-2151 (Fax)

jamesbruc@aol.com

May 28, 2010

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 gas well location for the following well:

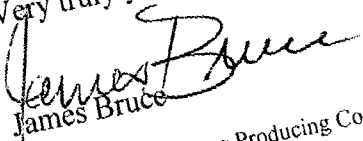
<u>Well:</u>	KL 33 Fed. Com. Well No. 1
<u>Location:</u>	2460 feet FSL & 810 feet FWL
<u>Well Unit:</u>	W½ §33-18S-27E, Eddy County, New Mexico

Applicant intends to drill the well to test in the Cisco/Canyon formation (Undesignated East Red Lake-Upper Pennsylvanian Gas Pool). The pool is developed on statewide rules, with 320 acre spacing and wells to be located no closer than 660 feet to a quarter section line and 10 feet to a quarter-quarter section line. A Form C-102 for the well is attached as **Exhibit A**.

The location is based on geologic and topographic reasons: Attached as **Exhibit B** is a structure map. To maximize chances for a commercial well, applicant desires to keep the well structurally high, and the structure is highest in the northern N½SW¼ and southern S½NW¼ of Section 33. Attached as **Exhibit C** is a topographic map. There is substantial relief in the N½SW¼ and southern S½NW¼ of Section 33, and the only flat land is in the area of the proposed well. Therefore, applicant desires to place the well in the NW¼SW¼ of Section 33.

The well does not encroach on the S½ of adjoining Section 32. In addition, a well located in the NW¼ of Section 33 could be closer to the N½ of Section 32 than the proposed well. (The E½ of Section 32 is covered by Federal Lease NM 110346, which has common ownership as to all depths.) Therefore, there is no adversely affected interest owner, and notice of this application is not required to be given to any offset.

Very truly yours,


James Bruce

Attorney for Nearburg Producing Company

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico

Form C-102

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

Energy, Minerals, and Natural Resources Department

Revised October 12, 2005

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

State Lease - 4 copies

Fee Lease - 3 copies

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

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name KL "33" FED COM	⁶ Well Number 1
⁷ OGRID No.	⁸ Operator Name NEARBURG PRODUCING CO.	⁹ Elevation 3357'

¹⁰Surface Location

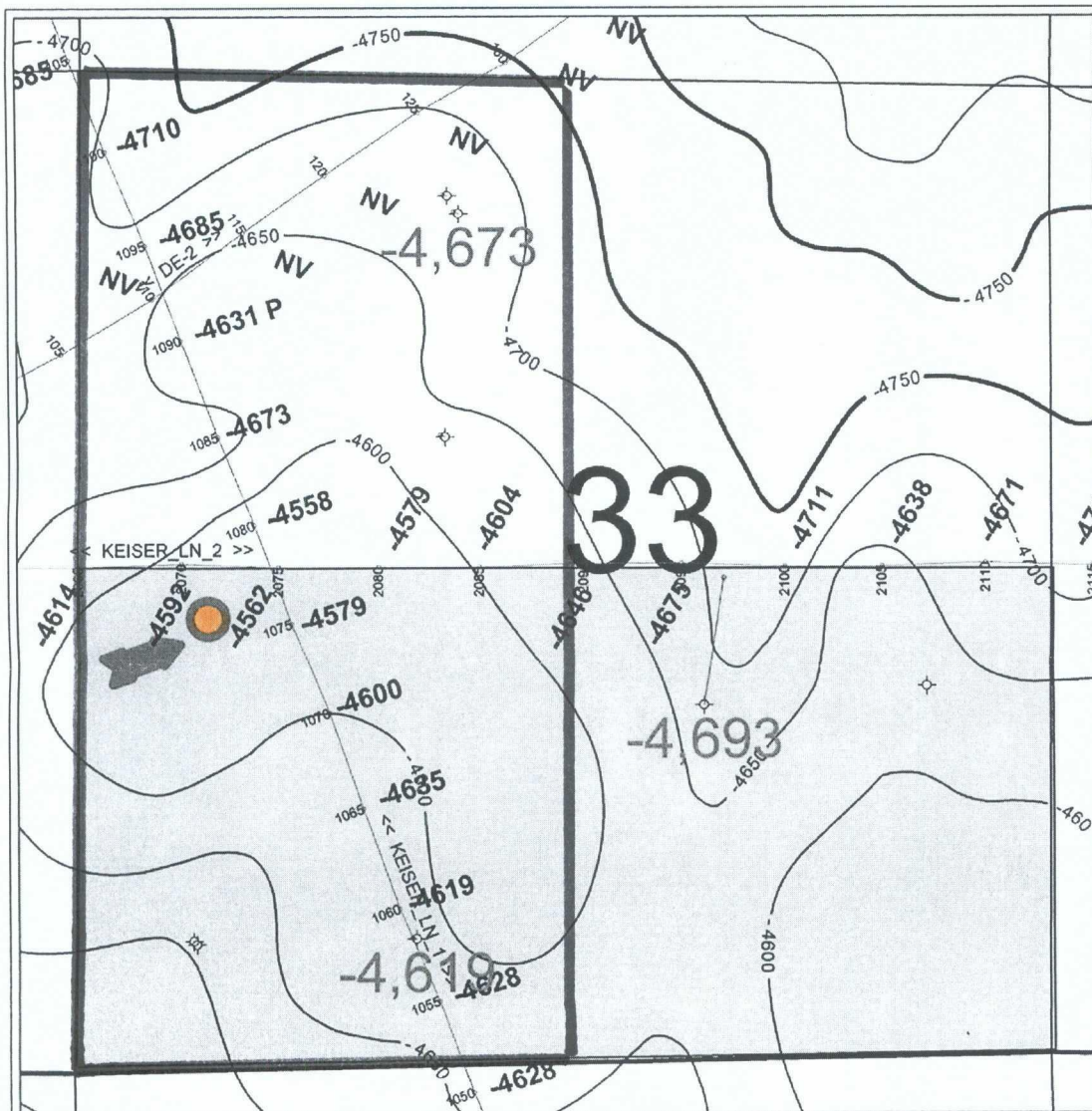
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	33	18 SOUTH	27 EAST, N.M.P.M.		2460'	SOUTH	810'	WEST	EDDY

¹¹Bottom 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
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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

<div><p>16</p><p>NAD 27 NME ZONE X = 513520 Y = 619670 LAT.: N 32°42'12.83" LONG.: W 104°17'21.77"</p><p>810'</p><p>2460'</p></div> <div><p>EXHIBIT A</p></div>	<p>¹⁷OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Name _____</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from the survey of land surveyed and by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>18329</p> <p>FEBRUARY 25, 2010</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number Michael Blake Brown P.S. #18329</p> <p>JOB #153286 / 75 NE E.U.O.</p>
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PETRA 5/26/2010 1:08:15 PM

Nearburg Producing Company

Exploration and Production

KAISER LAKE PROSPECT
EDDY COUNTY, NEW MEXICO
CANYON DEPTH

REMARKS
CI = 50'

By: C. Geran/T. Speer



EXHIBIT **B**

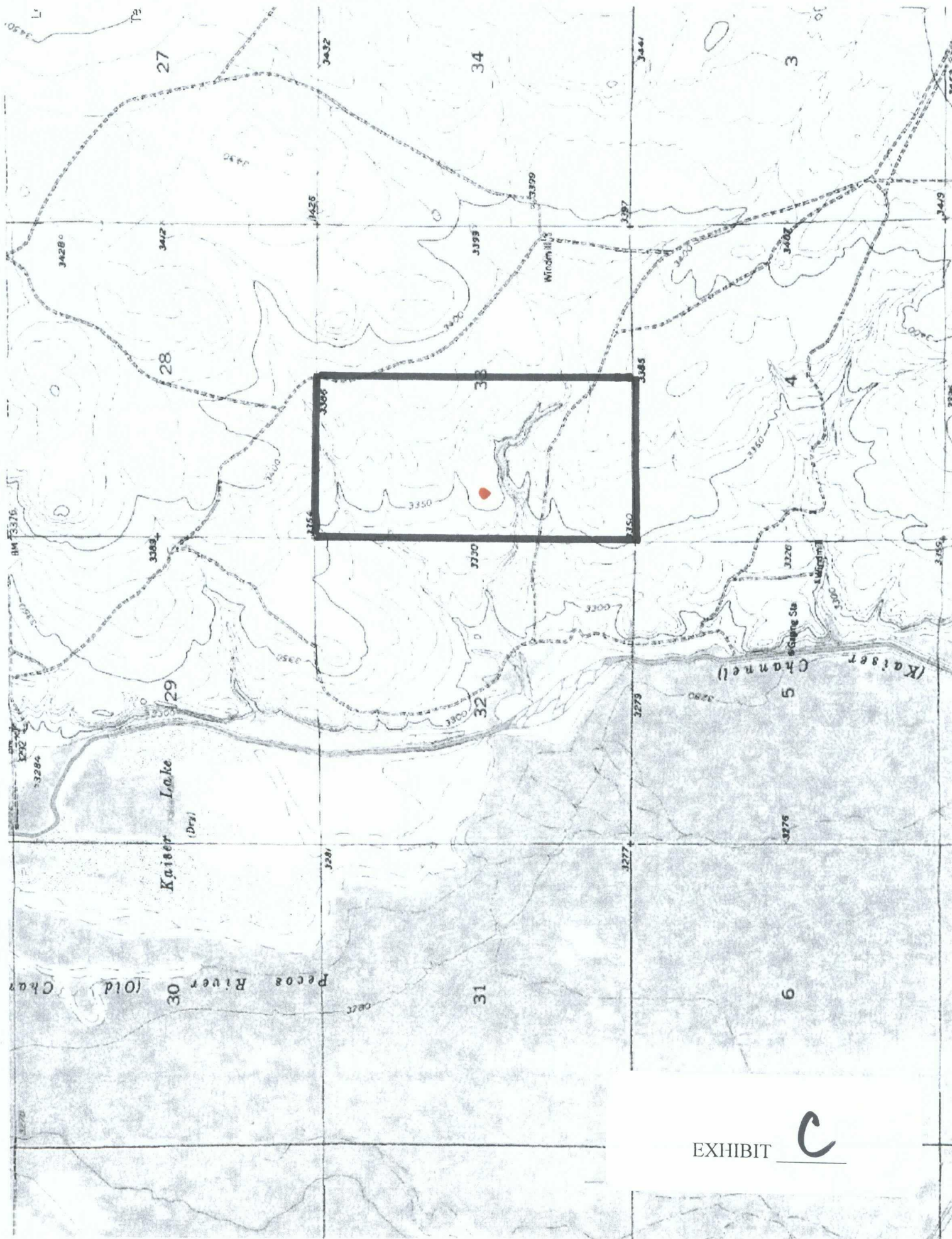


EXHIBIT **C**