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2013 SEP 15 A 6:55

September 13, 2013

Hand delivered

Jami Bailey, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Request for extension of well commencement deadline
Order No. R-13628
Nearburg Exploration Company, L.L.C. ("Nearburg")

Dear Ms. Bailey:

On September 19, 2012, the Division entered Order No. 13628, regarding a well to be drilled in the W $\frac{1}{2}$ W $\frac{1}{2}$ §23-20S-34E to test the Bone Spring formation. The order requires the well to be commenced by October 1, 2013. Nearburg respectfully requests that the well commencement deadline be extended five months, to March 1, 2014. The reasons for this request are as follows: ✓

(i) Attached is an exhibit from the hearing, listing all working interest owners in the subject well (34 in total). After the hearing Nearburg continued negotiating with the interest owners, and succeeded in getting all but 4 of the pooled interest owners (totaling 1.4% of the working interest) to voluntarily join in the well (a letter identifying the final pooled parties was filed with the Division). The negotiations delayed well commencement longer than anticipated.

(ii) Nearburg is currently drilling a Bone Spring well in the offsetting E $\frac{1}{2}$ W $\frac{1}{2}$ §23. However, after that well is drilled the rig is contractually obligated to commence four other wells, rather than the well which is the subject of the order. Due to current problems scheduling rigs, this means that the well cannot be commenced by October 1.

The subject well will be located on federal surface, which is subject to Prairie Chicken restrictions requiring well commencement before March 1, 2014, which is why that date is requested.

Your consideration of this request is appreciated.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for Nearburg Exploration Company, L.L.C.

Status of Interest Owners In Laguna 23 Fed Com #1H well

<u>Owner</u>	<u>Comments</u>
Nearburg Producing Company	OPERATOR – No Interest
Nearburg Exploration Company, L.L.C.	Participating
Cimarex Energy Co.	Negotiating JOA
Read & Stevens, Inc.	Agreed to terms on Term Assignment – working on form
Rottman Oil Partners	Agreed to terms on Term Assignment – working on form
Bean Family Limited Company	Called to discuss, but have not responded with a decision
HHB Limited Partnership	Agreed to terms on Term Assignment but not yet signed
Westway Petro Two, a Texas Joint Venture	No response
CBR Oil Properties, LLC	No response
H. W. Allen Co.	No response
Betty Read Young	Agreed to terms on Term Assignment – working on form
Union Hill Oil & Gas	Agreed to terms on Term Assignment – working on form
Watson Properties, LLC	Agreed to terms on Term Assignment but not yet signed
William V. Palmer, LLC	Agreed to terms on Term Assignment but not yet signed
CLM Production Com	Plans to participate – JOA not yet signed
Elida Gas Group, LLC	No response
Carolyn R. Beall	Plans to participate – JOA not yet signed
Diamond Star Production Co., LLC	No response
J&L Exploration, LLC	Have executed JOA
Dr. Alfred J. Rodriguez	No response
First Century Oil, Inc.	No response
Merry L. Christiansen	No response
CSA Petroleum Corp.	No response
Calvin C. Desmond Trust	No response
V. C. Desmond Trust	No response
DHB Partnership	No response
Jack C. Holland	Agreed to terms on Term Assignment – working on form
Phillip G. Huey	Agreed to terms on Term Assignment but not yet signed
M.P.S., Inc.	No response
New Mexico Western Minerals, Inc.	No response
Ralph E. Peacock	No response
Reserve Management, Inc.	Agreed to terms on Term Assignment but not yet signed
Donald E. or Glenda L. Richer	Plans to participate – JOA not yet signed
The Sharon Stone Trolinger Revocable Trust	Agreed to terms on Term Assignment but not yet signed
Marion V. Turner, Trustee	Agreed to terms on Term Assignment but not yet signed