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August 1, 2007

Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Case 13967

Dear Florene:

Enclosed for filing, on behalf of Nearburg Exploration Company, L.L.C., are an original and one copy of an amended application for compulsory pooling (Case No. 13967 re-opened), together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the September 20, 2007 Examiner hearing. Thank you.

Very truly yours,

  
James Bruce

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

Parties Being Pooled

Kenneth Cone  
P.O. Box 11310  
Midland, Texas 79702

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF NEARBURG EXPLORATION  
COMPANY, L.L.C. FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.

Case No. 13,967 (Re-opened)

AMENDED APPLICATION

Nearburg Exploration Company, L.L.C. applies for an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 30, Township 16 South, Range 39 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

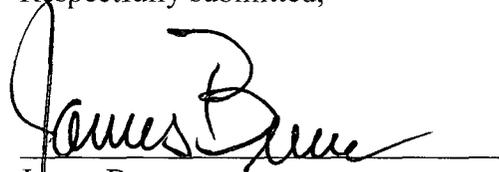
1. Applicant is an interest owner in the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 30, and has the right to drill a well thereon.
2. Applicant proposes to drill its Cone 30 Fee Well No. 1, at an orthodox location in the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 30, to a depth sufficient to test the Abo formation, and seeks to dedicate the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 30 to the well to form a standard 40 acre oil and spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 30 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 30, pursuant to NMSA 1978 §70-2-17.

5. The granting of this application will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> of Section 30, from the surface to the base of the Abo formation;
- B. Designating Nearburg Producing Company as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce  
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(505) 982-2043

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