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RECEIVED

2009 MAR 10 AM 7 53

March 10, 2009

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

Re: Case No. 14296
Nearburg Producing Company

Dear Mr. Fesmire:

Enclosed for your consideration, with respect to the above case, are an original and one copy of an emergency motion to extend the TA status of a certain well for 15 days, pending hearing in this matter. Because the TA status terminates on March 16, 2009, before the hearing set for March 31, 2009, your prompt attention to the motion is appreciated. Please contact me if you need further information, or would like a brief hearing on the motion. Thank you.

A proposed order is also enclosed.

Very truly yours,


James Bruce

Attorney for Nearburg Producing Company

cc: *Sanny Swazo*

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF NEARBURG PRODUCING
COMPANY FOR AN EXTENSION OF THE
TEMPORARY ABANDONMENT STATUS OF
ONE WELL, EDDY COUNTY, NEW MEXICO.**

Case No. 14,296

MOTION FOR AN EMERGENCY ORDER

Pursuant to NMAC 19.15.2.12, Nearburg Producing Company ("Nearburg") moves the Division for an emergency order extending the temporary abandonment status of the Parino Well No. 1 from March 16, 2009 to March 31, 2009. In support thereof, Nearburg states:

1. Applicant is the operator of the Parino Well No. 1, located 1980 feet from the south line and 660 feet from the east line of Section 23, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico (API No. 30-015-23049).

2. The Parino Well No. 1 is currently temporarily abandoned, but that status terminates on March 16, 2009. Nearburg requested an administrative extension of the temporary abandonment status of the well. However, that request was denied by the Division on February 16, 2009, because the well has been temporarily abandoned for more than five years. **Exhibit A.**

3. The Division's letter was received by Nearburg on February 20, 2009, too late to apply for the March 19, 2009 hearing. Therefore, Nearburg filed its application for the March 31, 2009 docket, requesting a one year extension.

4. Nearburg requests that an emergency order be issued by the Division, extending the temporary abandonment status of the Parino Well No. 1 until this case can be heard on March 31st. Nearburg asserts that such an order is proper, for the following reasons:

(a) The Parino Well No. 1 passed an MIT test on October 2, 2008. **Exhibit B** (on file with the Division). Therefore, the well does not present any environmental or other risk, and no harm will result from granting this motion.

(b) Nearburg has no out-of-compliance wells, and is otherwise in compliance with Division rules and regulations.

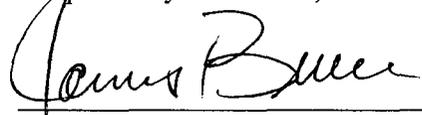
(c) Nearburg has filed an Application for Permit to Drill ("APD") with the Division, proposing a re-entry to test the Glorieta-Yeso formation (Undesignated North Seven Rivers Glorieta-Yeso Pool). A copy of the APD is attached to the Application filed herein. Thus, Nearburg has a plan of operations regarding this well.

(d) Nearburg has not yet commenced re-entry operations on the Parino Well No. 1 due to decreased oil prices coupled with drilling costs which have only recently started to decline. This uncertainty and price/cost variance should be resolved over the next year.

5. As a result, Nearburg requests entry of an emergency order granting a fifteen day extension of the temporary abandonment status of the Parino Well No. 1, through March 31, 2009, so that this case can be heard without placing Nearburg in violation of Division rules and regulations, and making it subject to penalties.

WHEREFORE, Nearburg requests that the Division enter an emergency order approving an extension of the temporary abandonment status of the Parino Well No. 1 from March 16th to March 31st.

Respectfully submitted,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above a horizontal line.

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

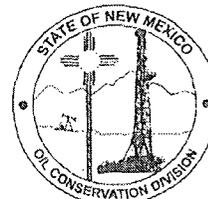
Attorney for Nearburg Producing Company

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



February 16, 2009

FEB 20 2009

Terry Grant
Nearburg Producing Company
3300 North "A" Street
Building 2, Suite 120
Midland, TX 79705

**Re: Boyd, South Prospect
Eddy County, New Mexico
Parino #1 Well (API # 30-015-23049)
Request for TA extension**

Dear Mr. Grant:

I am responding to your letter to Gail MacQuesten of February 9, 2009, requesting a two-year extension of the March 16, 2009 temporary abandonment deadline for the above named well. Your request is being denied for the following reasons.

Oil Conservation Division Rule 19.15.25.12 NMAC provides that the Division may place a well in approved temporary abandonment status for a period of up to five years. This means the Division has the discretion to decide whether to place a well in temporary abandonment and the length of time for temporary abandonment, provided the temporary abandonment does not extend beyond five years.

According to OCD records the well last reported production in July 1997. The well has been temporarily abandoned several times during this time.

You may be able to apply for a hearing on the matter.

Sincerely,

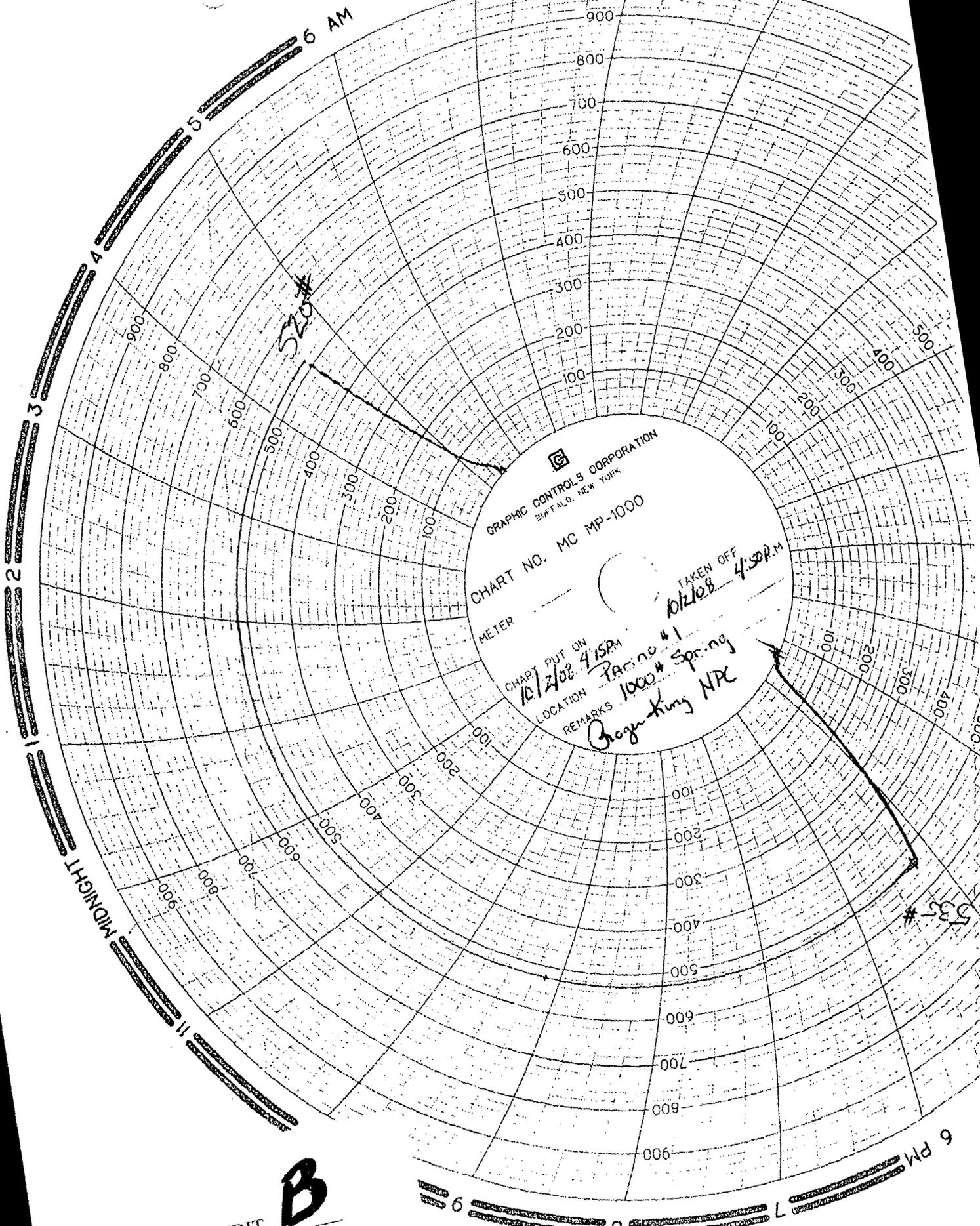
A handwritten signature in black ink, appearing to read "Daniel Sanchez".

Daniel Sanchez
OCD Enforcement & Compliance Manager

EXHIBIT

A





6 AM
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 MIDNIGHT
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EXHIBIT **B**

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**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**CASE NO. 14296
ORDER NO. R-**

**APPLICATION OF NEARBURG PRODUCING
COMPANY FOR AN EXTENSION OF THE
TEMPORARY ABANDONMENT STATUS OF
ONE WELL, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came before the Division Director on the motion of Nearburg Producing Company for an emergency order.

NOW, on this _____ day of March, 2009, the Division Director, having considered the record, and being fully informed,

FINDS THAT:

- (1) Due public notice has been given, and the Division has jurisdiction of this case and of the subject matter.
- (2) The motion is well taken and should be granted.

IT IS THEREFORE ORDERED THAT:

- (1) Pursuant to NMAC 19.12.2.12, the temporary abandonment status of the Parino Well No. 1, located 1980 feet from the south line and 660 feet from the east line of Section 23, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico (API No. 30-015-23049), is extended from March 16, 2009 to March 31, 2009.
- (2) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

Case No. 14296
Order No. R-
Page 2 of 2

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

MARK E. FESMIRE, P.E.
Director

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