

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

August 15, 1994

**RECEIVED**

AUG 15 1995

**HAND DELIVERED**

Mr. Michael E. Stogner  
Chief Hearing Examiner  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Oil Conservation Division

11377

Re: Trigg "29" Federal Com Well No. 1  
Application of Nearburg Exploration Company  
for an Unorthodox Gas Well Location,  
Eddy County, New Mexico

Dear Mr. Stogner:

On behalf of Nearburg Exploration Company, please find enclosed our Application for an unorthodox gas well location for its proposed Trigg "29" Federal Com Well No. 1 which we request be set for hearing on the next available Examiner's docket now scheduled for September 7, 1995. Also enclosed is our proposed notice for the advertisement.

By copy of this letter including the Application to all parties, we are notifying them by certified mail return-receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the Application.

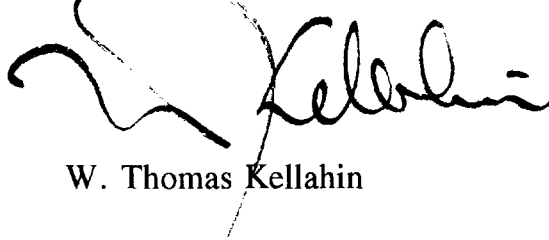
Oil Conservation Division

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Page 2.

Pursuant to the Division's Memorandum 2-90, all interested parties are hereby informed that if they appear in this case, then they are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, September 1, 1995, with a copy delivered to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', is written over a horizontal line. The signature is fluid and cursive.

W. Thomas Kellahin

cc: Nearburg Producing Company  
Attn: Bob Shelton

cc: **CERTIFIED MAIL:**  
All parties shown in application

Proposed notification/advertisement for OCD docket

Case 11377: Application of Nearburg Exploration Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its proposed Trigg "29" Federal Com Well No. 1 at an unorthodox gas well location 750 feet from the East line and 1400 feet from the South line (Unit I) Section 29, Township 17 South, Range 27 East, NMPM, to be dedicated to a standard 320-acre spacing units consisting of the S/2 of said Section 29 and to be dedicated to any and all production therein including but not necessarily limited to the Undesignated Scoggin Draw-Morrow Gas Pool, Logan Draw-Morrow Gas Pool, Logan Draw-Wolfcamp Gas Pool, Red Lake-Pennsylvanian Gas Pool and/or the Chalk Bluff-Wolfcamp Gas Pool. Said unit is located approximately 7 miles southeast from Artesia, New Mexico.

**RECEIVED**

AUG 15 1995

Oil Conservation Division

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

**RECEIVED**

AUG 15 1995  
Oil Conservation Division

IN THE MATTER OF THE APPLICATION  
OF NEARBURG EXPLORATION COMPANY FOR APPROVAL OF  
AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO

CASE: 11377

**APPLICATION**

Comes now NEARBURG COMPANY, by and through its attorneys, KELLAHIN and KELLAHIN, and applies to the New Mexico Oil Conservation Division for approval to drill its Trigg "29" Federal Com Well No. 1 at an unorthodox gas well location 750 feet from the East line and 1400 feet from the South line (Unit I) Section 29, Township 17 South, Range 27 East, NMPM, to be dedicated to a standard 320-acre spacing units consisting of the S/2 of said Section 29 and to be dedicated to any and all production therein including but not necessarily limited to the Undesignated Scoggin Draw-Morrow Gas Pool, Logan Draw-Morrow Gas Pool, Logan Draw-Wolfcamp Gas Pool, Red Lake-Pennsylvanian Gas Pool and/or the Chalk Bluff-Wolfcamp Gas Pool.

In support thereof, Applicant states:

1. Applicant, Nearburg Exploration Company, has the right to drill and test for gas production in the S/2 of Section 29, T17S, R27E, NMPM, Eddy County, New Mexico.
2. The proposed gas well potentially will be located within one mile of the current boundaries of the various gas pools described in the introduction above.

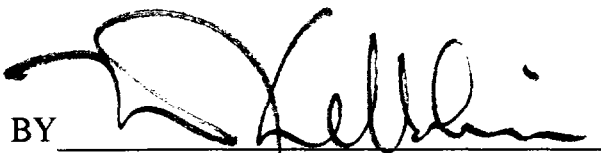
3. The proposed Trigg "29" Federal Com Well No. 1 will be drilled at unorthodox location because of a combination of topographical limitations, Bureau of Land Management surface use restrictions and geologic reasons in to attempt to recover any remaining recoverable gas reserves underlying S/2 Section 29 and thereby protect correlative rights and preventing waste.

4. Approval of the application will afford the applicant the opportunity to produce its just and equitable share of the remaining gas underlying this unit, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

5. Notification of this application has been sent to the offsetting operators and/or interested parties as required by Division rules and as identified on Exhibit "A" attached.

WHEREFORE, Applicant requests that, after notice and hearing, this Application be approved as requested.

KELLAHIN and KELLAHIN

BY 

W. Thomas Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285

**OFFSET OPERATORS OR LEASEHOLD OWNERS  
SANDY CROSSING PROSPECT  
EDDY COUNTY, NEW MEXICO**

**All of Section 28 Township 17-South, Range 27-East**

**E/2 of Section 28 - Comm Agreement covers the Atoka and Morrow formation.**

**Murchison Oil and Gas  
1445 Ross, Suite 5300  
Dallas, Texas 75202**

**W/2 of Section 28 - Comm Agreement covers the Cisco formation.**

**Murchison Oil and Gas  
1445 Ross, Suite 5300  
Dallas, Texas 75202**

**Union Pacific Oil & Gas Co.  
Box 7  
Fort Worth, Texas 76101**

**American Trading & Production Corporation  
110 W. Louisiana  
Midland, Texas 79701**

**Judy B. Gurley Oil & Gas Account  
2005 Hemlock  
Borger, Texas 79007**

**Douglas L. Cone  
Box 64344  
Lubbock, Texas 79464**

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**All of Section 33, Township 17-South, Range 27-East**

**W/2 of Section 33, Township 17-South, Range 27-East**

**MW Petroleum Corporation  
200 East Randolph Drive  
Chicago, Illinois 60607**

**Atlantic Richfield Company  
P.O. Box 600  
Dallas, Texas 75221**

**Exxon Corporation  
P.O. Box 1600  
Midland, Texas 79702**

**Devon Energy Corporation  
20 North Broadway  
Suite 1500  
Oklahoma City, Oklahoma 73102**

E/2 of Section 33 - Comm Agreement covers the Morrow, Atoka and Strawn formations.

Amoco Production Company  
P.O. Box 3092  
Houston, Texas 77001

Devon Energy Corporation  
20 North Broadway  
Suite 1500  
Oklahoma City, Oklahoma 73102

Exxon Corporation  
P.O. Box 1600  
Midland, Texas 79702

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SE/4SE/4 of Section 29, Township 17-South, Range 27-East

probably - Exxon Corporation  
(will confirm)

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SE/4SE/4 of Section 29, Township 17-South, Range 27-East

AS TO DEPTHS FROM THE SURFACE DOWN TO 2,750 FEET.

PC Ltd.  
P.O. Box 911  
Breckenridge, Texas 78024

Eugene Nearburg  
Dallas, Texas 1608 LAKEWAY Blvd.  
Austin TX 78734

Ben A. Coppas, Jr.  
Box 367  
Waxahachie, Texas

Joe Warren  
Box 374  
Waxahachie, Texas

**AS TO DEPTHS FROM 2750 FEET TO THE BASE OF THE SAN ANDRES**

PC Ltd.  
P.O. Box 911  
Breckenridge, Texas 76024

Tom Ingram  
Drawer 1757  
Roswell, New Mexico

Eugene Nearburg  
~~1603 Lakeway Blvd.~~  
~~Austin TX 78734~~

Ben A. Coppas, Jr.  
Box 357  
Waxahachie, Texas

Joe Warren  
Box 374  
Waxahachie, Texas