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June 7, 1996

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Oil Conservation Division Case No. 11547:
Application of Nearburg Exploration Company, L.L.C., for Compulsory
Pooling, Eddy County, New Mexico

Dear Mr. LeMay:

Nearburg Exploration Company, L.L.C., respectfully requests that this matter which is currently set on the Division docket for the June 13, 1996 hearings be continued to the June 27, 1996 Examiner docket.

Your attention to this matter is appreciated.

Very truly yours,

, for
WILLIAM F. CARR

WFC:mlh

cc: Mr. Bob Shelton

CASE 11676: **Application of Manzano Oil Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Wolfcamp formation in the N/2 SW/4 of Section 11, Township 16 South, Range 36 East. Said unit is to be dedicated to its "SV" Chipshot Well No. 1 which has been drilled at a previously approved unorthodox well location 2164 feet from the South line and 1362 feet from the West line (Unit K) of said Section 11. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 1 mile southeast from Lovington, New Mexico.

CASE 11668: (Continued from December 5, 1996, Examiner Hearing.)

Application of Yates Petroleum Corporation for ten unorthodox gas well locations, Pecos Slope-Abo Gas Pool, Chaves County, New Mexico. Applicant seeks approval of the following unorthodox gas well locations in the Pecos Slope-Abo Gas Pool:

Township 6 South, Range 26 East, NMPM:

Hansel ANH Federal No. 1, Section 7: 2110 feet from the North line and 940 feet from the East line

Township 7 South, Range 26 East, NMPM:

Leeman OC Federal No. 5, Section 18: 2310 feet from the South line and 2310 feet from the East line

Township 6 South, Range 25 East, NMPM:

Thomas LN Federal No. 9, Section 10: 2310 feet from the South line and 1300 feet from the West line

Skinny QO State No. 8, Section 16: 660 feet from the South line and 2310 feet from the West line

Snell QZ No. 2, Section 31: 2310 feet from the North line and 2310 feet from the West line

Powers OL Federal Com. No. 11, Section 33: 385 feet from the North line and 1680 feet from the East line

Teckla MD Federal No. 9, Section 13: 330 feet from the South line and 2200 feet from the East line

Sacra SA No. 12, Section 23: 2310 feet from the South line and 1300 feet from the East line

Red Rock NB Federal No. 7, Section 28: 2310 feet from the South line and 1300 feet from the West line

Sacra SA Com No. 13, Section 34: 2310 feet from the South line and 1500 feet from the East line

Said area is located approximately 35 miles west-southwest of Kenna, New Mexico.

CASE 11671: (Continued from December 5, 1996, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill its proposed Stonewall DD State Com Well No. 3 at a point 990 feet from the North and West lines (Unit D) of Section 20, Township 20 South, Range 28 East, to the base of the Morrow formation, said location being unorthodox for any and all gas producing formations from the top of the Wolfcamp to the base of the Morrow, including but not limited to the Burton Flat-Morrow Gas Pool and, if productive, to be dedicated to a 320-acre gas spacing unit consisting of the W/2 of said Section 20. Said location is approximately 10 miles north of Carlsbad, New Mexico.

CASE 11677: **Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 20, Township 20 South, Range 28 East, Eddy County, forming a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, which presently may include but is not necessarily limited to the Burton Flat-Morrow Gas Pool and the Undesignated West Burton Flat-Atoka Gas Pool. Said unit is to be dedicated to its Stonewall AQK State Com Well No. 1 to be drilled and completed at an unorthodox well location 990 feet from the north and east lines (Unit A) of said Section 20. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Yates Petroleum Corporation as the operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 11 miles east-southeast of Lakewood, New Mexico.

CASE 11678: **Application of Burlington Resources Oil & Gas Company for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Rhodes-Yates Seven Rivers Gas Pool underlying the SW/4 of Section 23, Township 26 South, Range 37 East, Lea County, forming a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within said vertical extent, including but not limited to the Rhodes-Yates Seven Rivers Gas Pool. Said unit is to be dedicated to Burlington Resources Oil & Gas Company's Rhodes "23" Federal Com Well No. 1 which is to be drilled at a standard gas well location. Also to be considered will be the costs of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in drilling and completing said well. Said well is located approximately 5 miles south-southwest of Jal, New Mexico.

CASE 11650: (Readvertised)

Application of Texaco Exploration & Production Inc. for amendment of Division Order No. R-5530, as amended, to increase injection pressures in its Central Vacuum Unit Pressure Maintenance Project Area, authorize a tertiary recovery project by the injection of carbon dioxide and to qualify this project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval to institute a tertiary recovery project in its Central Vacuum Unit Pressure Maintenance Project Area by the injection of carbon dioxide into the Grayburg and San Andres formations in the Vacuum-Grayburg-San Andres Pool. The Central Vacuum Unit Pressure Maintenance Project encompasses portions of Sections 25 and 36 of Township 17 South, Range 34 East; Sections 30 and 31 of Township 17 South, Range 35 East; Section 12 of Township 18 South, Range 34 East; and Sections 6 and 7 of Township 18 South, Range 35 East. Applicant also seeks to increase the approved surface injection pressure for water in this project area to 1500 pounds and establish a maximum surface injection pressure for carbon dioxide of 1900 pounds. Applicant further seeks to qualify the project area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located approximately 2 miles south of Buckeye, New Mexico.

CASE 11656: (Continued from December 5, 1996, Examiner Hearing.)

Application of Texaco Exploration and Production, Inc. for compulsory pooling, a high angle/horizontal directional drilling pilot project, and special operating rules therefor, Lea County, New Mexico. Applicant seeks to establish a high angle/horizontal directional drilling pilot project in the Rhodes-Yates Seven Rivers Gas Pool within a standard 160-acre gas spacing and proration unit comprising the SW/4 of Section 23, Township 26 South, Range 37 East, whereby the extent of the wellbore for its proposed Rhodes "23" Federal Com Well No. 1 is to be limited to a target window no closer than 660 feet to any boundary of the project area/proration unit. Further, the applicant seeks an order pooling all mineral interests within the Rhodes-Yates Seven Rivers Gas Pool underlying the aforementioned 160-acre project area/proration unit. Also to be considered will be the cost of drilling and completing the Rhodes "23" Federal Com Well No. 1 and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5 miles south-southwest of Jal, New Mexico.

CASE 11679: Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the W/2 of Section 3, Township 18 South, Range 28 East, Eddy County, forming a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, which presently may include but is not necessarily limited to the South Empire-Morrow Gas Pool, the North Empire-Atoka Gas Pool and the South Empire-Wolfcamp Gas Pool, and forming a standard 160-acre gas spacing and proration unit underlying the NW/4 of said Section 3 for any and all formations/pools developed on 160-acre gas spacing, and forming a 40-acre spacing unit underlying the SE/4 NW/4 of said Section 3 for any and all formations and/or pools spaced on 40-acre spacing. Said unit is to be dedicated to its Helbing 3 State Com Well No. 1 to be drilled and completed at a standard well location in Unit F of said Section 3. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 12 miles southeast of Lakewood, New Mexico.

CASE 11547: (Continued from October 17, 1996, Examiner Hearing.)

Application of Nearburg Exploration Company, L.L.C., for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, in all formations developed on 320-acre spacing, underlying the E/2 of Section 11, Township 17 South, Range 25 East. Said unit is to be dedicated to the Eagle Creek 11 Com Well No. 1 to be drilled at a location 1980 feet from the South and East lines of said Section 11. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2 miles west of Artesia, New Mexico.