

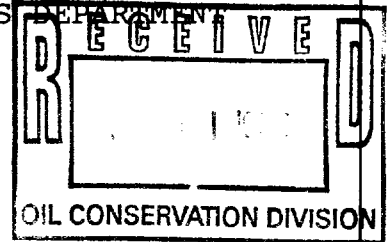
## STATE OF NEW MEXICO

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: )

APPLICATION OF NEARBURG EXPLORATION )  
 COMPANY FOR AN UNORTHODOX WELL LOCATION, )  
 LEA COUNTY, NEW MEXICO )



ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGSEXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

June 27th, 1996

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, June 27th, 1996, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

\* \* \*

## I N D E X

June 27th, 1996  
Examiner Hearing  
CASE NO. 11,554

	PAGE
EXHIBITS	3
APPEARANCES	3
APPLICANT'S WITNESSES:	
<u>ROBERT G. SHELTON</u> (Landman)	
Direct Examination by Mr. Carr	5
Examination by Examiner Catanach	9
<u>JERRY B. ELGER</u> (Geologist)	
Direct Examination by Mr. Carr	11
Examination by Examiner Catanach	18
Examination by Mr. McMillan	22
REPORTER'S CERTIFICATE	23

\* \* \*

## E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	8	9
Exhibit 2	8	9
Exhibit 3	13	18
Exhibit 4	13	18
Exhibit 5	15	18
Exhibit 6	15	18
Exhibit 7	17	18

\* \* \*

## A P P E A R A N C E S

FOR NEARBURG EXPLORATION COMPANY  
and NEARBURG PRODUCTION COMPANY:

CAMPBELL, CARR, BERGE and SHERIDAN, P.A.  
Suite 1 - 110 N. Guadalupe  
P.O. Box 2208  
Santa Fe, New Mexico 87504-2208  
By: WILLIAM F. CARR

ALSO PRESENT:

MIKE McMILLAN  
David Petroleum Corporation  
116 West 1st  
Roswell, New Mexico 88201

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2   8:43 a.m.:

3

4           EXAMINER CATANACH:   Okay, at this time we'll call  
5   Case 11,554, the Application of Nearburg Exploration  
6   Company for an unorthodox oil well location, Lea County,  
7   New Mexico.

8           Are there appearances in this case?

9           MR. CARR:   May it please the Examiner, my name is  
10   William F. Carr with the Santa Fe law firm Campbell, Carr,  
11   Berge and Sheridan.

12           We represent Nearburg Exploration Company in this  
13   matter and Nearburg Producing Company, who would be the  
14   operator of the well, and I have two witnesses.

15           EXAMINER CATANACH:   Are there any additional  
16   appearances?

17           MR. McMILLAN:   Yes, Michael McMillan, making an  
18   appearance for David Petroleum Corporation.

19           EXAMINER CATANACH:   Mr. McMillan, will you have  
20   any witnesses in this case?

21           MR. McMILLAN:   No.

22           EXAMINER CATANACH:   Okay, will the witnesses  
23   please stand to be sworn in?

24           (Thereupon, the witnesses were sworn.)

25           MR. CARR:   At this time we call Mr. Shelton.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

ROBERT G. SHELTON,

the witness herein, after having been first duly sworn upon  
his oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. CARR:

Q. Would you state your name for the record, please?

A. Robert G. Shelton.

Q. Mr. Shelton, where do you reside?

A. In Midland, Texas.

Q. By whom are you employed?

A. By Nearburg Producing Company.

Q. And what is your current position with Nearburg  
Producing Company?

A. I'm the land manager.

Q. Have you previously testified before this  
Division?

A. Yes, I have.

Q. At the time of that testimony, were your  
credentials as an expert witness in petroleum land matters  
accepted and made a matter of record?

A. Yes, sir, they were.

Q. Are you familiar with the Application filed in  
this case on behalf of Nearburg?

A. Yes, sir, I am.

Q. And are you familiar with the status of the lands

1 in the area that is the subject of this Application?

2 A. Yes, sir.

3 MR. CARR: Are the witness's qualifications  
4 acceptable?

5 EXAMINER CATANACH: They are.

6 Q. (By Mr. Carr) Mr. Shelton, could you briefly  
7 summarize for Mr. Catanach what Nearburg seeks with this  
8 Application?

9 A. Nearburg seeks approval of the Division for an  
10 unorthodox Strawn oil well location, where the proposed  
11 location is 2310 feet from the north line and 1200 feet  
12 from the east line of Section 36, Township 16 South, Range  
13 37 East, Lea County, New Mexico. The location will  
14 encroach 330 feet to the south, which in this pool allows  
15 for only 150 feet of encroachment from the center of the  
16 quarter-quarter section.

17 Q. What acreage will be dedicated to the well?

18 A. The acreage dedicated to the well will be an 80-  
19 acre unit which will be the south half of the northeast  
20 quarter of Section 36, which is currently owned by  
21 Nearburg.

22 Q. And in what pool are you projecting the well?

23 A. This is going to be the Shipp-Strawn field Pool.

24 Q. Now, Mr. Shelton, there is a laydown 80-acre unit  
25 in the Shipp-Strawn Pool, comprised of the north half of

1 the southeast quarter of Section 36, is there not?

2 A. That is correct, we were here at the last hearing  
3 for an unorthodox location in that 80-acre spacing unit  
4 also, which has been approved.

5 Q. The location we're seeking approval of today is  
6 330 feet off the common lease line between this unit and  
7 the one on the south; is that right?

8 A. That is correct.

9 Q. And the location that has been approved in the  
10 offsetting unit to the south is also 330 feet off that  
11 common boundary between the two spacing units?

12 A. That is correct. So they're both equal distance  
13 from each other.

14 Q. You're familiar with the rules for the subject  
15 pool, are you not?

16 A. Yes, I am.

17 Q. And what are the spacing and well-location  
18 requirements that are set forth in those rules?

19 A. 80-acre spacing.

20 Q. And what is a standard location?

21 A. Standard location is center of the quarter-  
22 quarter section or within 150 feet of the center of the  
23 quarter-quarter.

24 Q. Have you prepared exhibits for presentation here  
25 today?

1           A.    Yes, sir, I have.

2           Q.    Let's go to what has been marked Nearburg Exhibit  
3   Number 1, and I'd ask you to identify this and review it  
4   for the Examiner.

5           A.    This is a locator map of the general area which  
6   shows the 80-acre spacing unit anticipated to be dedicated  
7   to the well.  It also shows the approximate location of the  
8   well in the south half of the northeast quarter of Section  
9   36.

10          Q.    Let's go now to Exhibit Number 2.  Will you  
11   review that?

12          A.    Exhibit Number 2 is an ownership map.  It shows  
13   the south half of the northeast quarter of Section 36,  
14   which again will be the 80 acres dedicated to the well.  It  
15   shows the offsetting acreage to the south, which is the  
16   acreage that's being encroached upon, and it shows the  
17   surrounding sections.

18                The offset acreage to the south is owned by  
19   Nearburg -- is under -- subject to an operating agreement,  
20   which Nearburg Producing Company is the operator.  The  
21   leasehold estate is owned by Nearburg Exploration Company,  
22   McMillan Production Company and David Petroleum Corp.

23          Q.    And that is the tract on which this well is  
24   encroaching?

25          A.    That is correct.



1 Q. Accordingly, there are -- Since you're the  
2 operator of the offsetting tract, there are no interest  
3 owners to whom notice is required pursuant to OCD rules; is  
4 that correct?

5 A. That is correct.

6 Q. Will Nearburg be calling a geological witness to  
7 review the technical portions of this case?

8 A. Yes, sir, we will.

9 Q. Were Exhibits 1 and 2 prepared by you?

10 A. They were prepared by me.

11 MR. CARR: Mr. Catanach, at this time we would  
12 move the admission into evidence of Nearburg Exhibits 1 and  
13 2.

14 EXAMINER CATANACH: Exhibits 1 and 2 will be  
15 admitted as evidence.

16 Q. (By Mr. Carr) Mr. Shelton, one last question.  
17 Who is going to actually be the operator of this well?

18 A. The operator of the well is Nearburg Producing  
19 Company, will be the operator.

20 MR. CARR: That concludes my direct examination  
21 of Mr. Shelton.

22 EXAMINATION

23 BY EXAMINER CATANACH:

24 Q. Mr. Shelton, who owns the interest in the  
25 proposed proration unit?

1           A.    The leasehold ownership in that proration unit is  
2 the same as in the southeast quarter: McMillan, David and  
3 Nearburg.

4           Q.    In the same proportions?

5           A.    Yes, that's correct.

6           Q.    So it's all common interest?

7           A.    Yes, sir.

8           Q.    Does that include the whole northeast quarter?

9           A.    Yes, sir, it does.

10          Q.    So essentially the whole east half is the same  
11 common interest?

12          A.    That is correct, yes, sir.

13               Nearburg acquired the interest in the northeast  
14 quarter from various parties, and the other two companies,  
15 McMillan and David Petroleum, have elected to participate  
16 in that acquisition for their proportionate share. Those  
17 assignments have not been made of record yet, but they are  
18 subject to agreements which allow them to acquire their 40-  
19 percent interest, and that election to acquire their  
20 interest has been made.

21          Q.    There has been a well drilled in the southeast  
22 quarter?

23          A.    No, it has not been drilled yet, no, sir. The  
24 location exception was approved at the last OCD hearing, or  
25 at least it was approved -- the order was issued between

1 the last hearing and this hearing.

2 Q. Do you know if McMillan and David will be  
3 participating in both the wells?

4 A. No, they will not be.

5 Q. They will not?

6 A. Huh-uh.

7 EXAMINER CATANACH: Mr. McMillan, do you have any  
8 questions of the witness?

9 MR. McMILLAN: No.

10 EXAMINER CATANACH: Okay. The witness may be  
11 excused.

12 MR. CARR: Mr. Catanach, at this time we would  
13 call Jerry Elger.

14 JERRY B. ELGER,  
15 the witness herein, after having been first duly sworn upon  
16 his oath, was examined and testified as follows:

17 DIRECT EXAMINATION

18 BY MR. CARR:

19 Q. Would you state your name for the record, please?

20 A. Jerry Elger.

21 Q. And where do you reside?

22 A. In Midland, Texas.

23 Q. By whom are you employed?

24 A. By Nearburg Producing Company.

25 Q. What is your position with Nearburg?

1           A.    Senior Exploration Geologist.

2           Q.    Mr. Elger, you've previously testified before  
3 this Division, have you not?

4           A.    Yes, I have.

5           Q.    At the time of that testimony, were your  
6 credentials as an expert witness in petroleum geology  
7 accepted and made a matter of record?

8           A.    Yes, they were.

9           Q.    Are you familiar with the Application filed on  
10 behalf of Nearburg in this case?

11          A.    Yes, I am.

12          Q.    Have you made a geological study of the area  
13 surrounding the proposed well?

14          A.    Yes, I have.

15          Q.    And are you prepared to present the results of  
16 that study to Mr. Catanach?

17          A.    Yes.

18               MR. CARR:  Are the witness's qualifications  
19 acceptable?

20               EXAMINER CATANACH:  Yes, they are.

21          Q.    (By Mr. Carr)  What is the primary objective in  
22 this well?

23          A.    The primary objective is a porosity that's  
24 developed in association with algal mounds which occurred  
25 and developed during Strawn time.

1           Q.    In developing your geological presentation, have  
2 you utilized seismic information?

3           A.    Yes, we have.

4           Q.    Mr. Elger, at this time would you refer to  
5 Nearburg Exhibits 3 and 4 and reviewing those together,  
6 review the seismic end of your interpretation of this  
7 formation?

8           A.    Exhibits 3 and 4 -- First of all, this prospect  
9 and the location that Nearburg is seeking is based almost  
10 exclusively on the geophysics. Very little subsurface  
11 control involved.

12                   Nearburg participated in a 3-D shoot across this  
13 project area, and the interpretation you see on Exhibit  
14 Number 3 is Nearburg's geophysical interpretation of that  
15 data.

16                   The map on the left is a structure map on top of  
17 the Strawn, again utilizing well control and the 3-D data.  
18 The map on the right is an isochron map of the thickness of  
19 the top of the Strawn to the top of the Atoka, also across  
20 this prospect area.

21                   You'll notice that there is a structural closure  
22 in conjunction with this prospect at the proposed location,  
23 and there is also a Strawn isochron time thick associated  
24 with the proposed location.

25                   These maps were developed on the basis of all of

1 the data, a portion of which is displayed on Nearburg  
2 Exhibit Number 4.

3 One of the benefits to the 3-D data is the  
4 ability to display arbitrary seismic lines in orientations  
5 that tie wells and proposed locations. The arbitrary  
6 seismic line displayed on Exhibit 4, arbitrary lines 126  
7 and 127, for the most part, have tied the well controls  
8 surrounding the prospect and have been displayed in such a  
9 manner that they run through legal locations in the 80-acre  
10 proration unit, as well as the unorthodox location that's  
11 the subject of this Application. Those have been  
12 identified in the shot point columns at the top of each of  
13 these lines, the red box being the -- where the two seismic  
14 lines cross at the proposed unorthodox location.

15 The isochron map is developed on the basis of the  
16 blue trace on each of these seismic lines, which is the  
17 signature for the top of the Strawn, and the time interval  
18 from that blue marker to the top of the Atoka, which marks  
19 the base of the Strawn, which is the green line. And  
20 again, a structural closure develops across this acreage,  
21 as displayed on the structure map, and a Strawn time thick  
22 occurs in conjunction with the interpretation of this data  
23 across the proposed location.

24 Q. Let's go to Nearburg Exhibit Number 5. I'd ask  
25 you to identify now and review that for Mr. Catanach.

1           A.   Exhibit Number 5 is a geological interpretation  
2 which incorporates the well control and the seismic  
3 information.

4               Wells which are producing or have been producing  
5 from these algal mound developments in the Strawn have  
6 green circles around them, and the outline of the producing  
7 areas has been shaded a green on this display.

8               The thickness of porosity that's developed in  
9 association with each of these mounds is the number that  
10 you see by each of these wells. And again, the  
11 interpretation across the 80-acre -- the south half of the  
12 northeast quarter of Section 36, which is the prospect  
13 acreage, shows that an unorthodox drill site would have to  
14 be utilized to -- or drilled in order to maximize -- or  
15 minimize the risk on this acreage.

16           Q.   Let's go now to your cross-section, Exhibit  
17 Number 6. Can you review this for the Examiner, please?

18           A.   Exhibit Number 6 is a structural cross-section  
19 through the Strawn, tying the surrounding well control to  
20 the proposed location.

21               There's one previous well drilled to the Strawn  
22 in the northeast quarter of Section 36, and that well is  
23 displayed as the second well from the right on A-A'. The  
24 cross-section has been noted on all of these maps as A-A'.  
25 That well was drilled by Sohio in -- probably incorp- -- I

1 would assume incorporating 2-D seismic data, and no  
2 porosity or algal mounds were encountered in that wellbore,  
3 and the well was abandoned.

4 The other critical well to this prospect is in  
5 the adjacent east section. It was drilled by Siete Oil,  
6 and it's the well at A' on the cross-section. That well  
7 encountered what I've interpreted as being eight feet of  
8 algal mound development in the very top of the Strawn.

9 The well was perforated overall from  
10 approximately 11,550 to -- nearly to 11,800. And I think  
11 whatever production came from this wellbore came from that  
12 little eight-foot development of algal-mound porosity  
13 that's indicated in purple just below 11,600 on this  
14 display.

15 The geological interpretation incorporating the  
16 geophysics is that this mound development -- the mound  
17 develops to the west across the area that's shaded green on  
18 Exhibit Number 5 and ties this well -- this well marking  
19 the easternmost boundary of that algal-mound development.

20 You'll notice the production cum at the base of  
21 that well log. The well was not commercial from this thin  
22 of a pay section. The well only made 4800 barrels of oil  
23 and 11 million cubic feet of gas, which is basically a  
24 dryhole.

25 Q. Mr. Elger, let's now go to Nearburg's production



1 map, Exhibit Number 7. Would you review that for Mr.  
2 Catanach?

3 A. Exhibit Number 7 shows, again, the history of the  
4 production in this prospect area. Again, the green circles  
5 indicate those wells that have been productive from the  
6 Strawn. Yellow and red and blue indicate various other  
7 formations that have been productive.

8 You'll notice in the surrounding sections to the  
9 proposed location, the propensity of green circles  
10 indicating that basically the Strawn is the main producing  
11 horizon in this area.

12 The field name appears above each cumulative  
13 production, which includes cumulative for oil, gas and  
14 water. And then the bottom three numbers, if the well is  
15 still active, incorporates the average barrels of oil per  
16 day, daily rate, the gas MCF per day and the barrels of  
17 water that's being produced per day.

18 Q. Mr. Elger, in your opinion is a well at the  
19 proposed location necessary if Nearburg is to effectively  
20 produce the Strawn reserves under the subject spacing and  
21 proration unit?

22 A. Yes, it is.

23 Q. In your opinion, will approval of this  
24 Application and the drilling of the proposed well be in the  
25 best interests of conservation, the prevention of waste and

1 the protection of correlative rights?

2 A. Yes, it will.

3 Q. Were Exhibits 3 through 7 prepared by you?

4 A. Yes, they were.

5 MR. CARR: At this time, Mr. Catanach, we would  
6 move the admission into evidence of Nearburg Exhibits 3  
7 through 7.

8 EXAMINER CATANACH: Exhibits 3 through 7 will be  
9 admitted as evidence.

10 MR. CARR: And that concludes my direct  
11 examination of Mr. Elger.

12 EXAMINATION

13 BY EXAMINER CATANACH:

14 Q. Mr. Elger, has Nearburg utilized 3-D seismic to  
15 drill Strawn wells in this area?

16 A. Yes, we have.

17 Q. Successful?

18 A. Mixed, actually. We have drilled -- We haven't  
19 operated, but we've participated on the basis of a 3-D  
20 survey in a dryhole, in which no porosity was encountered  
21 in the Strawn. And we have been successful to some degree.

22 Q. The Sohio well encountered no porosity; is that  
23 correct?

24 A. That is correct. And that well is located -- I  
25 believe it's almost in the same 80-acre proration unit as

1 our Application, very close.

2 Q. What thickness do you anticipate encountering in  
3 your well?

4 A. I've interpreted approximately 60 feet, but  
5 that's based on conjecture, really.

6 I believe Gecko, who is the operator of numerous  
7 other wells in this area, including the wells -- at least  
8 two of the wells that are included on the cross-section  
9 A-A', also utilized 3-D seismic interpretations to drill  
10 these wells.

11 You can see the thickness of the porosity again.  
12 It's been colored in purple on A' in each one of those  
13 wellbores.

14 Of course, they had some help. There was already  
15 a previous Sohio well that was drilled in that quarter  
16 section. Again based on the vintage of the well, I would  
17 say probably it was a 2-D -- well based on 2-D  
18 interpretation.

19 But these wells -- The risk is that these wells,  
20 number one, will make -- produce water. You'll see that  
21 the Gecko wells and -- The Sohio well, although -- even  
22 though it encountered over 100 feet of algal-mound  
23 porosity, only made 10,000 barrels of oil.

24 The cums for the Gecko wells will be better, but  
25 they're not spectacular wells. They're really a kind of

1 marginal setting, even though they have -- one of the wells  
2 has 110 feet of porosity.

3 So the risk is that, number one, we've  
4 misinterpreted the data, and the -- we will not encounter  
5 porosity. Or we will encounter porosity but it will have  
6 high water cuts, have high operating expenses and be really  
7 marginal, in my opinion.

8 Q. This algal mound you're targeting, is this in  
9 your opinion separate from the ones in the west half?

10 A. Yes, it is. The only well that I've interpreted  
11 as having penetrated that particular mound is the Siete  
12 well over in the adjacent section, and again it only had  
13 eight feet of porosity, and I've interpreted that well, and  
14 based on what we see with the geophysics, as being on the  
15 eastern margin of the mound that we're chasing.

16 Q. Where is your other unorthodox location in the  
17 southeast quarter? Do you recall what the footage is on  
18 that?

19 A. 660 from the east line, and I believe it's 2310  
20 from the south line.

21 MR. CARR: Right, that's right.

22 EXAMINER CATANACH: Mr. Carr, do you by any  
23 chance have that order number that approved that?

24 MR. CARR: Mr. Catanach, I don't. It was  
25 entered, I believe, last either Thursday or Friday.

1 Do you have that?

2 MR. SHELTON: I have it.

3 MR. CARR: Just a second, we can give you the  
4 order number.

5 Q. (By Examiner Catanach) What's Nearburg's intent  
6 with respect to which well will be drilled first? Do you  
7 know that?

8 A. I don't really know that. That's handled with  
9 our drilling department, the drilling schedule.

10 MR. CARR: Mr. Catanach, the order is Order  
11 R-10,613, dated June 19.

12 I would note also that we do have a rig available  
13 as of the 15th of July to start the first of these two  
14 wells.

15 EXAMINER CATANACH: Which is the first?

16 MR. CARR: Which is the first, Mr. Elger?

17 THE WITNESS: I don't know.

18 MR. CARR: It's the one that isn't the second.

19 MR. SHELTON: It's the one with the title to it.

20 EXAMINER CATANACH: I believe that's all I have  
21 of the witness.

22 MR. CARR: That concludes our presentation in  
23 this case.

24 EXAMINER CATANACH: Did you have anything, Mr.  
25 McMillan?

## EXAMINATION

BY MR. McMILLAN:

Q. Yes, I'm sorry, Jerry, I missed you. Which location do you all plan to drill first?

A. I don't know. I don't know which location we'll be drilling first. That's all subject to scheduling of drilling rigs and clearances through our drilling department.

MR. McMILLAN: Okay, thanks.

EXAMINER CATANACH: Okay, there being nothing further in this case, Case 11,554 will be taken under advisement.

(Thereupon, these proceedings were concluded at 9:07 a.m.)

\* \* \*

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearings of Case No. 11554,  
heard by me on June 27 1996.  
David K. Catnach, Examiner  
Oil Conservation Division

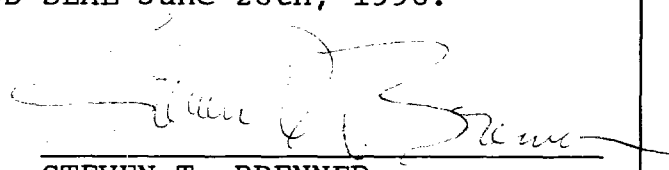
## CERTIFICATE OF REPORTER

STATE OF NEW MEXICO    )  
                              )    ss.  
COUNTY OF SANTA FE    )

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL June 28th, 1996.

  
\_\_\_\_\_  
STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 14, 1998



Case # 11554  
June 27, 1996  
Exhibit #1



**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11554 Exhibit No. 1

Submitted by: Nearburg Exploration Company

Hearing Date: June 27, 1996

**NEARBURG EXPLORATION COMPANY, L.L.C.**  
**NEARBURG PRODUCING COMPANY, OPERATOR**  
**NUEVE "36" NO. 1 WELL**  
**2310' FNL & 1200' FEL**  
**SECTION 36, T-16-S, R-37-E**  
**LEA COUNTY, NEW MEXICO**  
**OCD CASE NO. 11554**  
**JUNE 27, 1996**

T-16-S, R-37-E		T-16-S, R-38-E	
25		30	
36		31	
NE/4 of Section 36 Nearburg Producing Company, Operator			
Nearburg Exploration Co. LLC Proposed Location			
SE/4 of Section 36 Nearburg Producing Company, Operator Leasehold; Nearburg Exploration Company L.L.C. 60%; McMillan Production & David Petroleum Corp. 40%			

Exhibit #2

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11554 Exhibit No. 2

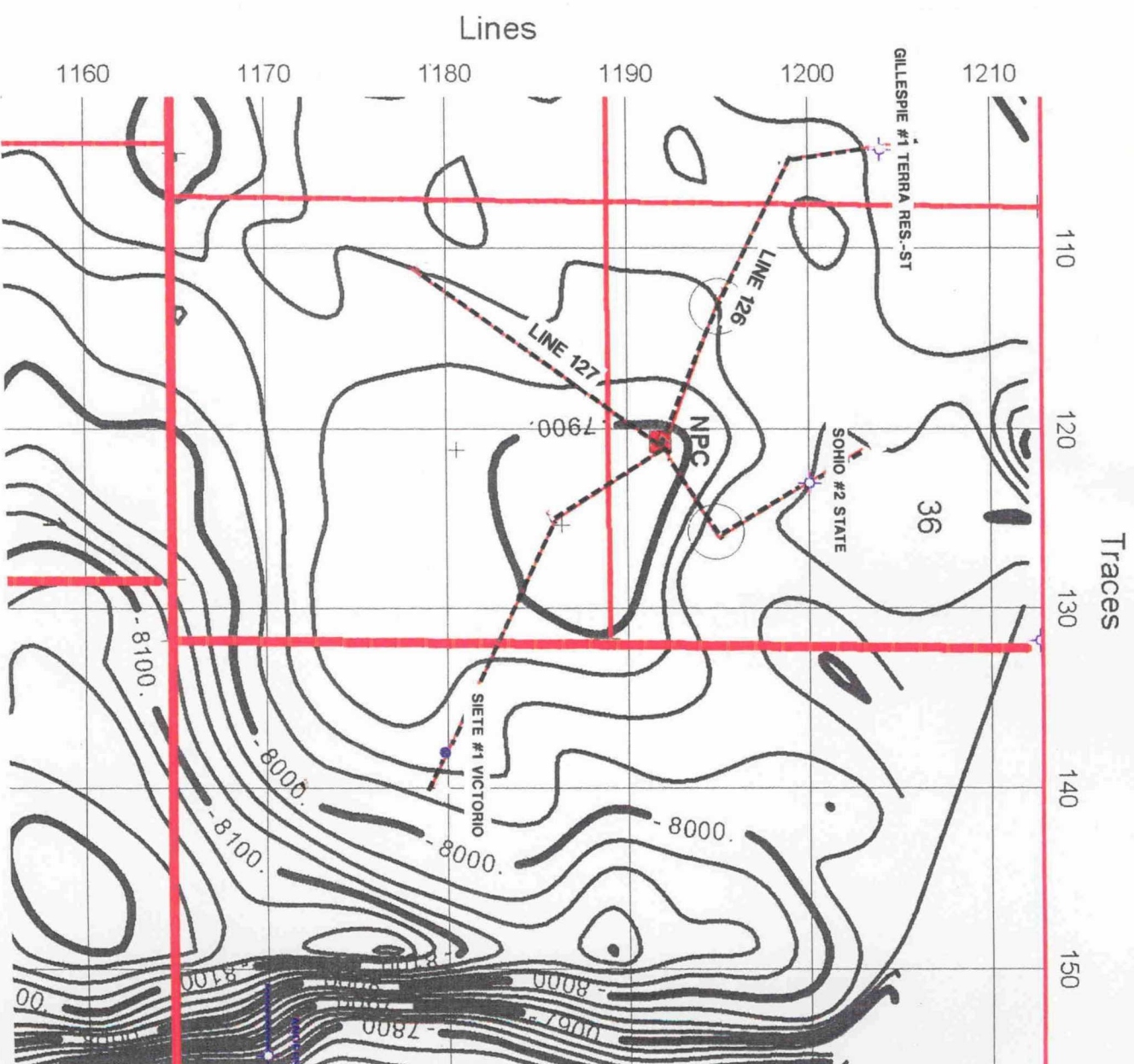
Submitted by: Nearburg Exploration Company

Hearing Date: June 27, 1996



# Nueve Prospect - Strawn Structure Map

## scale 1:1000' c.i. 25'



**BEFORE THE**  
**OIL CONSERVATION DIVISION**  
 Santa Fe, New Mexico

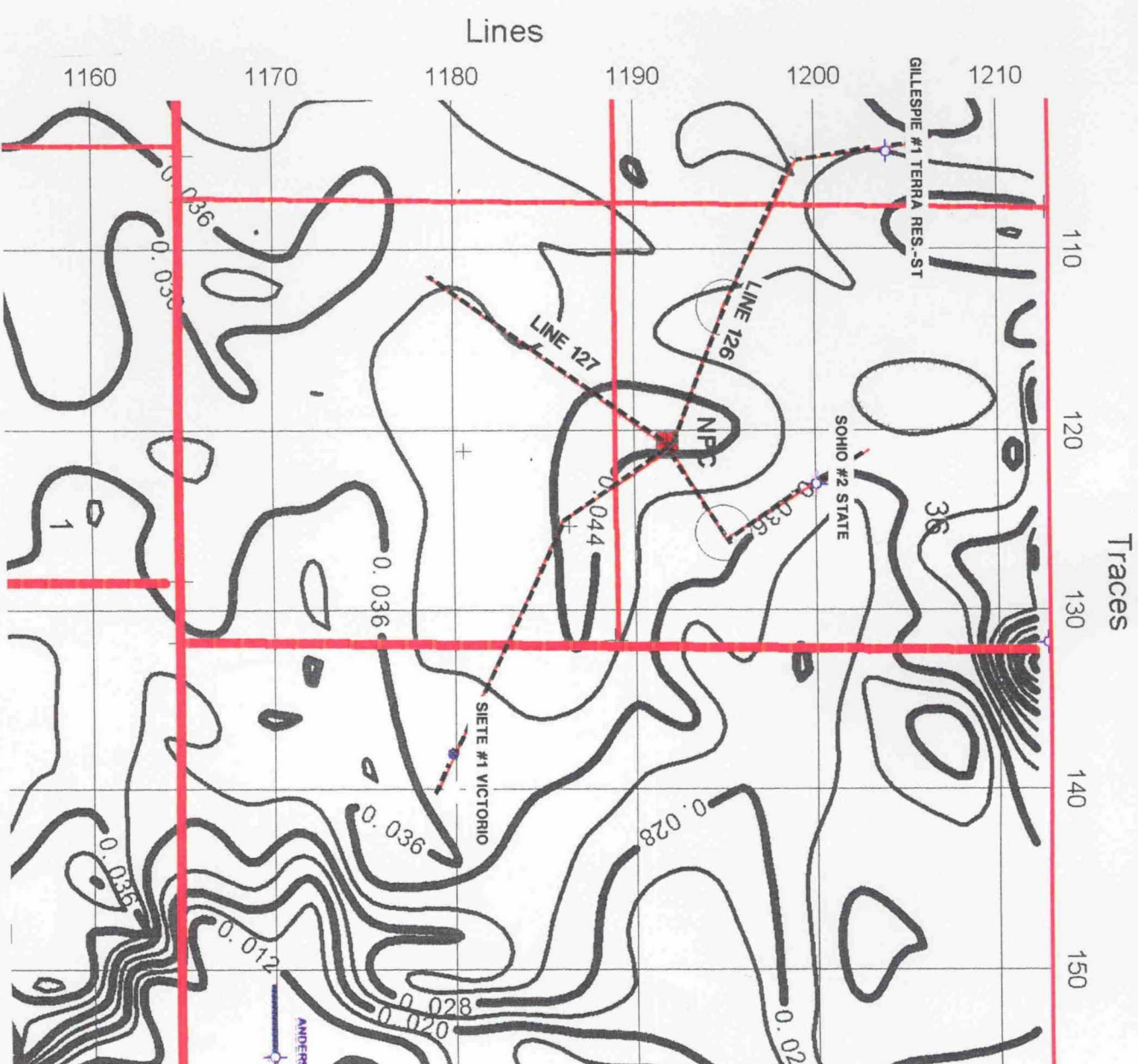
Case No. 11554 Exhibit No. 3

Submitted by: Nearburg Exploration Company

Hearing Date: June 27, 1996

# Nueve Prospect - Strawn Isochron Map

## scale 1:1000' c.i. .004 sec.



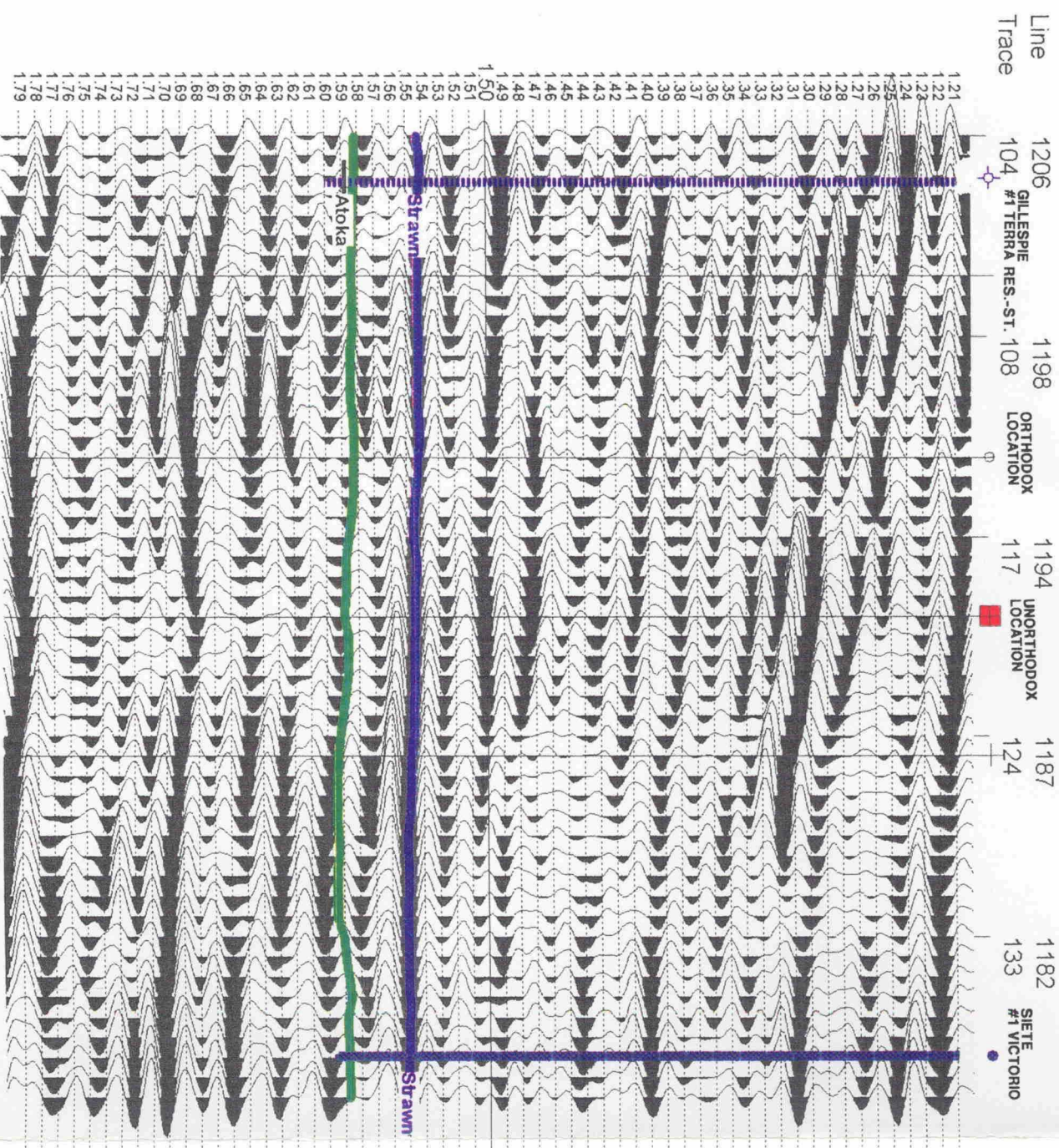
**NUEVE "36" #1 WELL**  
 LEA COUNTY, NEW MEXICO  
**SEISMIC INTERPRETATION**  
 SEC. 36 T-16-S R-37-E

**Nearburg Producing Company**  
 Exploration and Production  
 Dallas, Texas

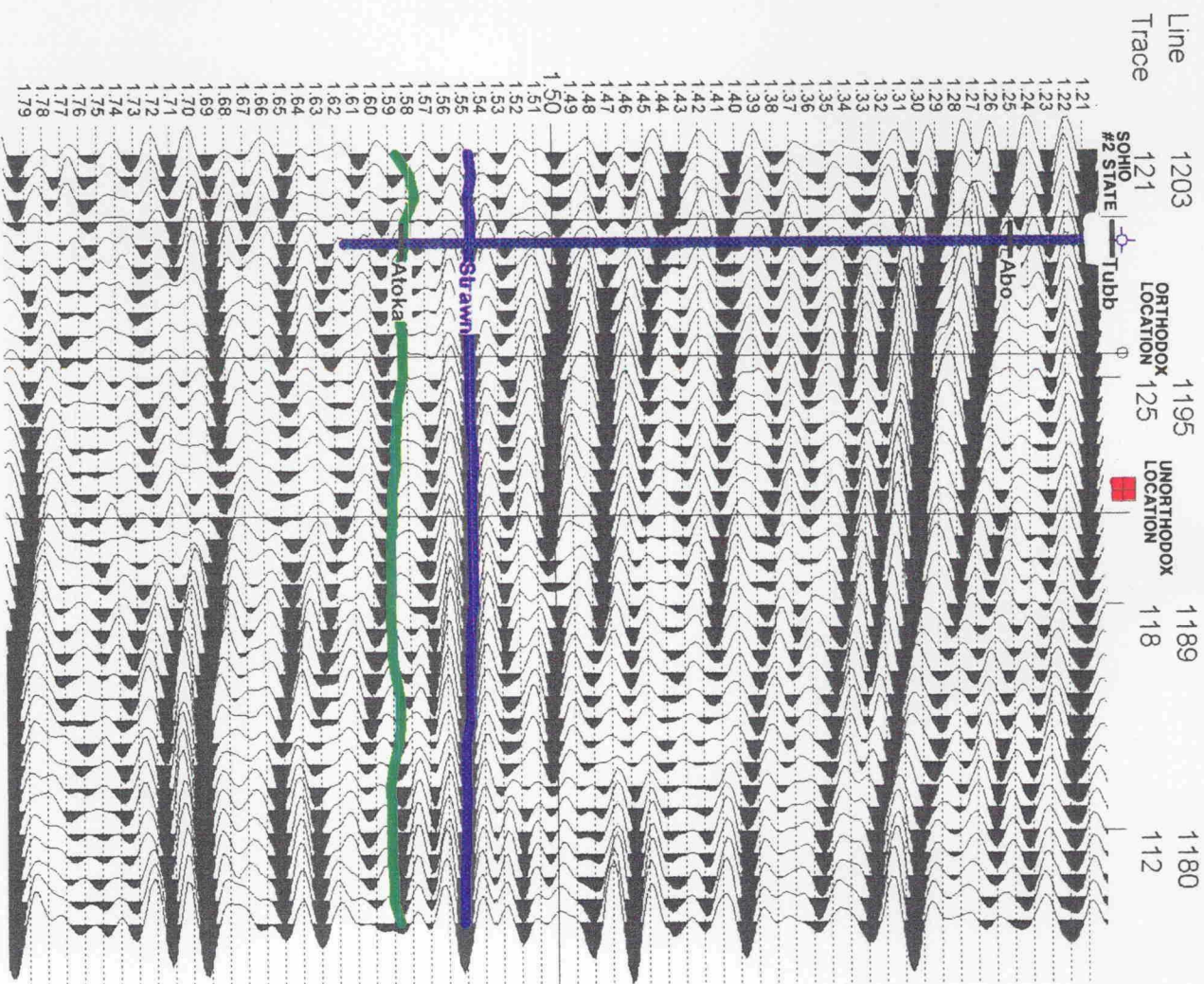
SCALE: 1"=1000'	DATE: 6/96	DRAWN BY: TED.	FILE NO:
DATE: 6/96	DATE: 6/96	DATE: 6/96	DATE: 6/96



Nueve Line 126 thru Terra dry hole, legal location, NPC location and Seite well



Nueve Line 127 thru Sohio dry hole, legal location and NPC location



BEFORE THE  
OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Case No. 11554 Exhibit No. 4

Submitted by: Nearburg Exploration Company

Hearing Date: June 27, 1996

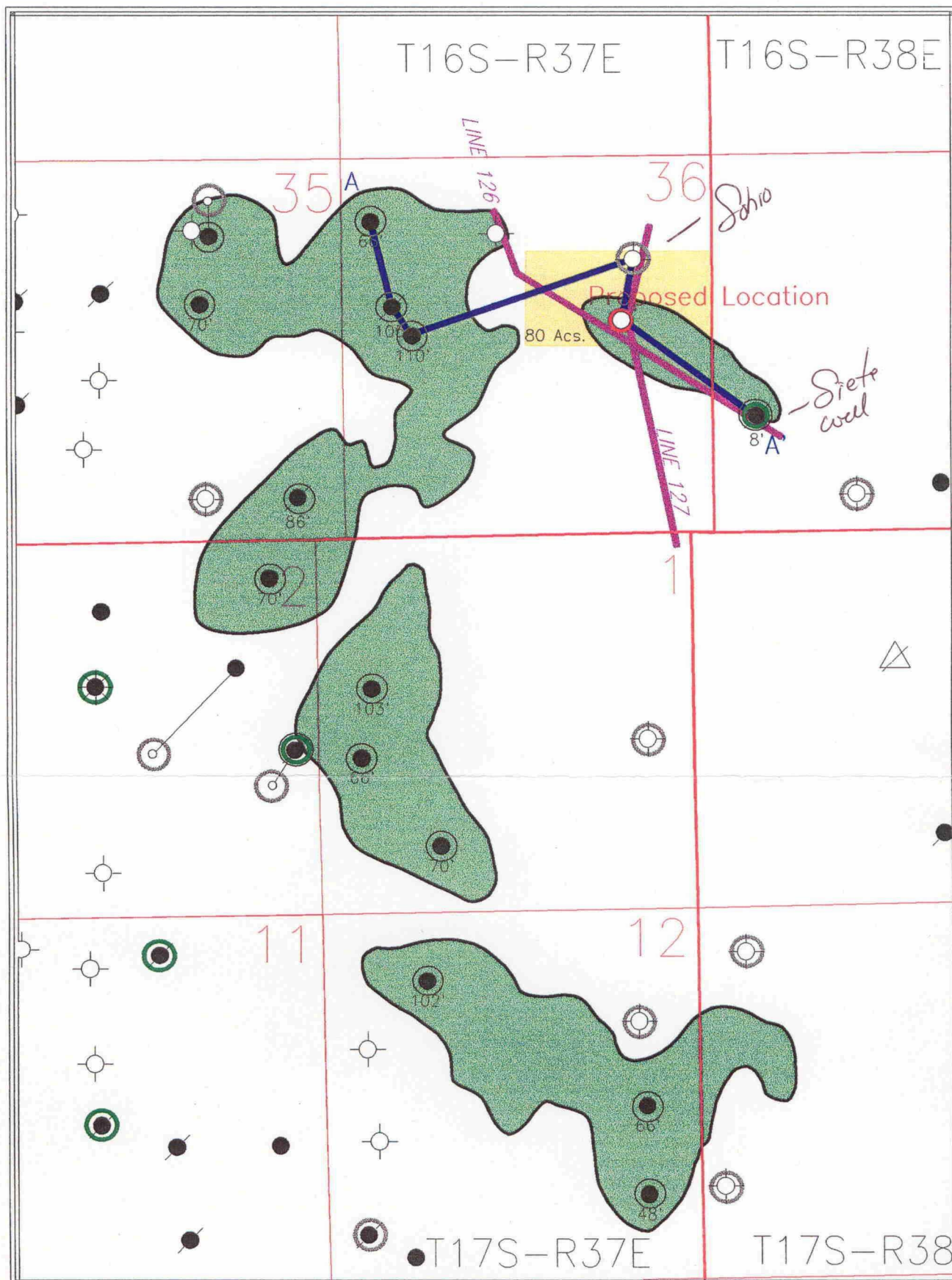
Nearburg Producing Company  
Exploration and Production  
Dallas, Texas

NUEVE "36" #1 WELL  
LEA COUNTY, NEW MEXICO  
ARBITRARY SEISMIC LINES  
126 & 127

06X001 ET T.E.D. 6/96 DRAWN BY FILE NO



Examiner \_\_\_\_\_  
 Case No. 11554  
 EXHIBIT NO. 5



**LEGEND**

- Strawn Producer  
110'—Mound Porosity  $\geq$  4%
- Intermound Carbonate Mudstone  
(Non-reservoir)

**Nearburg Producing Company**  
 Exploration and Production  
 Midland, Texas

NUEVE "36" #1  
 LEA COUNTY, NEW MEXICO  
 UPPER STRAWN ANOMALY MAP

GEOLOGY BY J.B.E.	DATE 6/96	DRAWN BY LCG/NKM	FILE NO. anomaly.gpf
----------------------	--------------	---------------------	-------------------------

MAP SCALE

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

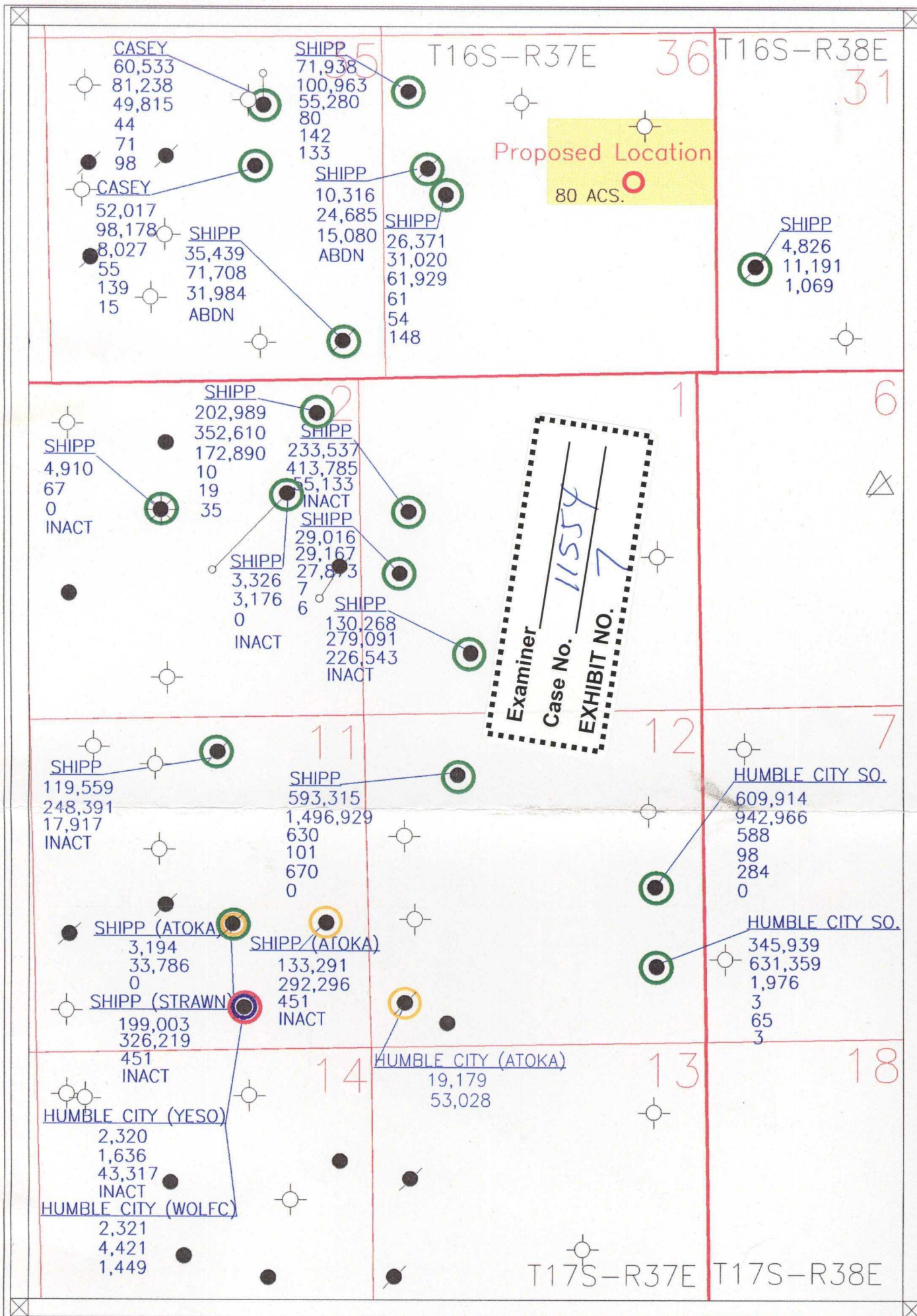
Case No. 11554 Exhibit No. 5

Submitted by: Nearburg Exploration Company

Hearing Date: June 27, 1996

LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE





1000. 0. 1000. 2000. 3000. 4000. 5000. feet



MAP SCALE

#### LEGEND

	Yeso	FIELD NAME	SHIPP
	Wolfcamp	CUM OIL	202,989
	Atoka	CUM GAS	352,610
	Strawn	CUM WATER	172,890
		OIL (BOPD)	10
		GAS (MCFGPD)	19
		WTR (BWPD)	35

**Nearburg Producing Company**  
Exploration and Production  
Midland, Texas

NUEVE "36" #1  
LEA COUNTY, NEW MEXICO

PRODUCTION MAP

(PRODUCTION CUMULATIVE TO 11/95)

GEOLOGY BY J.B.E.	DATE 6/96	DRAWN BY LCG/NKM	FILE NO. productn.gpf
----------------------	--------------	---------------------	--------------------------

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11554 Exhibit No. 7

Submitted by: Nearburg Exploration Company

Hearing Date: June 27, 1996