



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

July 2, 1998

Case 11976

Nearburg Producing Company  
c/o Campbell, Carr, Berge & Sheridan, P.A.  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208  
Attention: William F. Carr

*Administrative Order NSL-4085*

Dear Mr. Carr:

Reference is made to your application dated June 23, 1998 on behalf of the operator, Nearburg Producing Company, for an unorthodox Morrow gas well location for its proposed Minis "2" Federal Com. Well No. 1 to be drilled 3630 feet from the South line and 660 feet from the East line (Lot 16/Unit P) of irregular Section 2, Township 21 South, Range 32 East, NMPM, Hat Mesa-Morrow Gas Pool, Lea County, New Mexico.

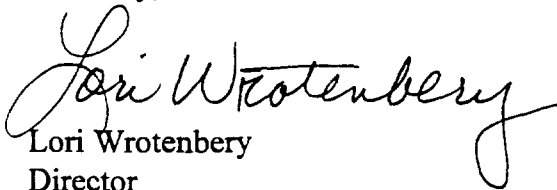
Lots 1, 2, 7, 8, 9, 10, 15, and 16 of Section 2 being a standard 317.95-acre gas spacing and proration unit for the Hat Mesa-Morrow Gas Pool is to be dedicated to this well.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Morrow formation than a well drilled at a location considered to be standard.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

  
Lori Wrotenberg  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
U. S. Bureau of Land Management - Carlsbad