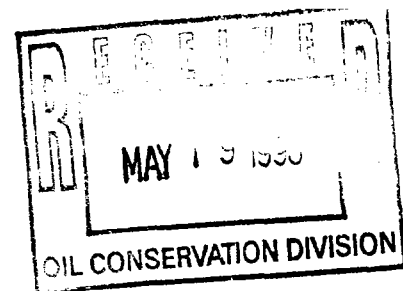


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May 19, 1998

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87503

11983

Re: Application of Nearburg Exploration Company, L.L.C. for Compulsory
Pooling, Eddy County, New Mexico

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Nearburg Exploration Company, L.L.C. in the above-referenced case as well as a copy of the legal advertisement. Nearburg Exploration Company, L.L.C., requests that this matter be placed on the docket for the June 11, 1998 Examiner hearings.

Very truly yours,

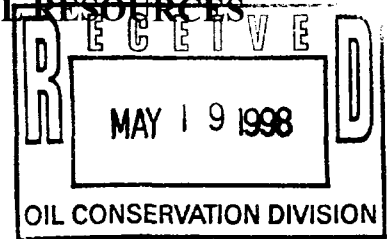
A handwritten signature in black ink, appearing to read "William F. Carr".

WILLIAM F. CARR

WFC:mlh
Enclosures

cc: Mr. Bob Shelton (w/enclosures)
Nearburg Exploration Company, L.L.C.
3300 North "A" Street
Building 2, Suite 120
Midland, TX 79705

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



IN THE MATTER OF THE APPLICATION
OF NEARBURG EXPLORATION COMPANY, L.L.C.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 11983

APPLICATION

NEARBURG EXPLORATION COMPANY, L.L.C. ("Nearburg"), through its undersigned attorneys, hereby makes application pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all mineral interests in all formations developed on 320-acre spacing in the W/2, in all formations developed on 160-acre spacing in the NW/4, in all formations developed on 80-acre spacing under the W/2 NW/4, and in all formations developed on 40-acre spacing under the SW/4 NW/4 of Section 4, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico, and in support thereof states:

1. Nearburg is a working interest owner in the W/2 of Section 4 and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Culver 4 Federal Com Well No. 1 to be drilled to a standard location 1650 feet from the North line and 660 feet from the West line of said Section 4, to a depth sufficient to test any and all formations to the base of the Morrow formation, Cemetery-Morrow Gas Pool.
3. Applicant has sought and been unable to obtain either a voluntary agreement from Feagan Energy, Inc., Post Office Box 50307, Midland, Texas 79710 owner of a 12.5%

working interest in the subject spacing units.

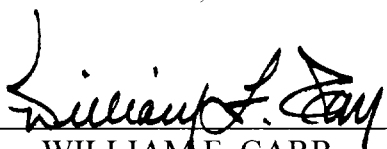
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Nearburg Producing Company, should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before an Examiner of the Oil Conservation Division on June 11, 1998 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well.

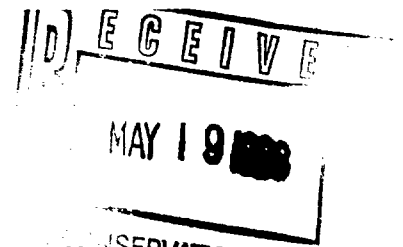
Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 

WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR NEARBURG
EXPLORATION COMPANY, L.L.C.



CASE 11983

Application of Nearburg Exploration Company, L.L.C. for completion of pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the W/2, in all formations developed on 160-acre spacing in the NW/4, in all formations developed on 80-acre spacing in the W/2 NW/4, and in all formations developed on 40-acre spacing in the SW/4 NW/4 of Section 4 Township 20 South, Range 25 East. Said unit is to be dedicated to its Culver 4 Federal Com Well No. 1 to be drilled at a standard location 1650 feet from the North line and 660 feet from the West line of said Section 4 to a depth sufficient to test all formations from the surface to the base of the Morrow formation, Cemetery-Morrow Gas Pool. 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 area is located approximately 7 miles southwest of Lakewood, New Mexico.