

OIL CONSERVATION DIV.

98 SEP 29 AM 9: 25

CASE 12067: Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 16, T16S, R32E, NMPM, Lea County, New Mexico and in the following manner: the E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently may include but is not necessarily limited to the Anderson Ranch-Morrow Gas Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations/pools developed on 160-acre gas spacing. Said unit(s) is to be dedicated to its Rancho Bonito "15" State Com Well No. 1 to be drilled and completed at a standard gas well location in Unit H of this section. 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 said well. Said unit is located approximately 4-1/2 miles north of Maljamar, New Mexico.