NSUBHL

NSC/BHL

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

JUNAN S

## KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

JASON KELLAHIN (RETIRED 1991)

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF NATURAL RESOURCES-OIL AND GAS LAW

W. THOMAS KELLAHIN"

November 2, 1998

#### FEDERAL EXPRESS

Mr. Tim Gum, Supervisor Oil Conservation Division 811 S. First Street Artesia, New Mexico 88210

Re: Eagle Creek "11" Well No. 1 Administrative Application of Nearburg Producing Company for a Directional Wellbore E/2 Section 11, T17S, R25E Eddy County, New Mexico

Dear Mr. Gum:

On behalf of Nearburg Producing Company, and in accordance with Division Rule 111 authorizing the District Supervisor to process Directional Wellbore applications, please find enclosed our Application for approval of the referenced well.

For your information, Nearburg's application for the unorthodox surface location and subsurface drilling window is pending hearing on November 5, 1998 as Division Case 12073.

ery truly yours,

W. Thomas Kellahin

cc: Mr. Michael E. Stogner (OCD-Santa Fe)

cfx: Nearburg Producing Company Attn: Bob Shelton

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

## APPLICATION OF NEARBURG PRODUCING COMPANY FOR A DIRECTIONAL WELLBORE EDDY COUNTY, NEW MEXICO

#### ADMINISTRATIVE APPLICATION

Comes now Nearburg Producing Company ("Nearburg"), by and through its attorneys, Kellahin & Kellahin, and in accordance with Division Rule 111 applies to the District Supervisor-Artesia of the New Mexico Oil Conservation Division for approval for a Directional Wellbore for its Eagle Creek "11" Well No. 1 and in support states:

- (1) Nearburg is the proposed operator for the E/2 of Section 11, T17S, R25E, NMPM, Eddy County, New Mexico.
- (2) Nearburg has conducted a geologic investigation and has concluded that the optimum location for a well in the E/2 of said Section 11 would be at a location 1980 feet from the East line and 660 feet from the North line of said Section 11. However, that location is closer to the Artesia airport runway than permitted by the City of Artesia. Accordingly, Nearburg proposes to locate the well at a surface location 2100 feet from the west line and 1070 feet from the north line of Section 14 and to drill this wellbore directionally to a subsurface location approximately 1980 feet from the East line and 660 feet from the south line of Section 11.
- (3) Therefore, Nearburg proposes to drill its Eagle Creek "11" Well No. 1 from an unorthodox surface location 1200 feet from the East line and 660 feet from the North line of Section 11, T17S, R25E, and to drill directionally to an unorthodox subsurface location within a Producing Area and Producing Interval at the top of the Morrow formation not closer than 660 feet from the south, east and west boundaries of consisting of a speign unit consisting of the E/2 of said Section 11 for any gas production below the top of the Wolfcamp formation and to dedicate the NE/4 of said Section to any gas production above the top of the Wolfcamp formation.

NMOCD Administrative Application Nearburg Producing Company Page 2.

- (4) Nearburg proposes the following:
  - (a) **Project Area:** 320-acre gas dedication (E/2 Section 11)
  - (b) **Producing Area & Producing Interval:**

being within an area at the top of the Morrow formation within a standard 320-acre spacing unit but nt closer than 660 feet to the south, east and west side boundaries of the spacing unit

- (5) The following exhibits are attached:
- Exhibit 1: Area Locator Plat indicating spacing unit, surface and subsurface well location, offset owners

Exhibit 2: C-102 and APD

Exhibit 3:

Scientific Drilling International's vertical oriented plan view and horizontal plan view and 2 pages of numerical tabulation of program.

WHEREFORE, Applicant requests that this application be approved.

Respectfully submitted,

**KELLAHIN & KELLAHIN** 

W. Thomas Kellahin Post Office Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

Attorneys for Applicant

District I

-PO Box 1930, Hobbs, NM 88241-1980

District II 811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV . 2040 South Pacheco, Santa Fe, NM 87505

Manager of Drilling and Production

10-27-98

Date:

Phone: 915/686-8235

## State of New Mexico

Energy, Minerals & Natural Resources Department

Form C-101 Revised October 18, 1994 Instructions on back Submit to Appropriate District Office State Lease - 6 Copies Fee Lease - 5 Copies

# OIL CONSERVATION DIVISION 2040 South Pacheco

TAMENDED REPORT

2840 South Pacheco, Santa Fe. NM 87505 Sa.					anta Fe, NM 87505				AMENDED REPORT				
APPLICA	ATION	FOR	PΕ	RMIT	TO DR	ILL, RE-E	NTER, DE	EPE	EN, PLUGB	ACK	, OR AD	D A ZONE	
No orbura Dra	duoina C	0000		ıOpera	tor Name an	d Address						GRID Number	
Nearburg Pro 3300 N A St.,	, Bldg 2, S											015742	
Midland, TX	79705										30 - 0	Pi Number	
4Property	Code					sPro	perty Name				<u> </u>	∉W ell No.	
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						,Surfac	e Location						
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С	14	17	s	25E		1070	North		2110		West	Eddy	
		.P	ropo	sed B	ottom F	Hole Loca	tion If Diffe	erent	t From Surfa	ace			
UL or lot no.	Section	Town	· 1	Range	Lot Idn	Feet from the			Feet from the	East	/W est Line	County	
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No			_	810		Morrow	Peterson				11-15-98		
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Describe rue prov	wout bleven	non pro	græm, i	n any. Us	e additional s	ineets ii necess	ary.		1,980' FEL, Se				
County, New	Mexico to	suffic	cient c	depth to	evaluate ti	ne Morrow fo	mation. After	reachi	ing TD, logs will	be run	and casing	set if the	
evaluation is	positive.	Pertor	rate, te	est and s	stimulate a	s necessary	to establish pro	oductio	on.				
	•												
Thereby certify that the information given above is true and complete to the						lete to the	OIL CONSERVATION DIVISION						
Sign ature: A ) and //						ŀ	Approved By:						
Printed/name:						Title:							
E. Scott Kimbrough													

Approval Date:

Attached:

Conditions of Approval:

Expiration Date:

DISTRICT | P.O. Ber 1980, Robbe, NM 88241-1980 State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II P.O. Sommer DD, Artesia, NM 88211-0719

1000 No Brazos Rd., Aztec, NM 87410

P.O. BK 2088, SANTA FE, N.M. 87504-2088

DISTRICT III

DISTRICT IV

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name						
		Eagle Creek, N	Morrow					
Property Code	Proper	Property Name						
	EAGLE C	EAGLE CREEK 11						
OGRID No.	<u> </u>	or Name	Elevation					
015742	NEARBURG PROD	DUCING COMPANY	3498					

#### Surface Location

1	UL er lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
	С	14	17 S	25 E		1070	NORTH	2110	WEST	EDDY	

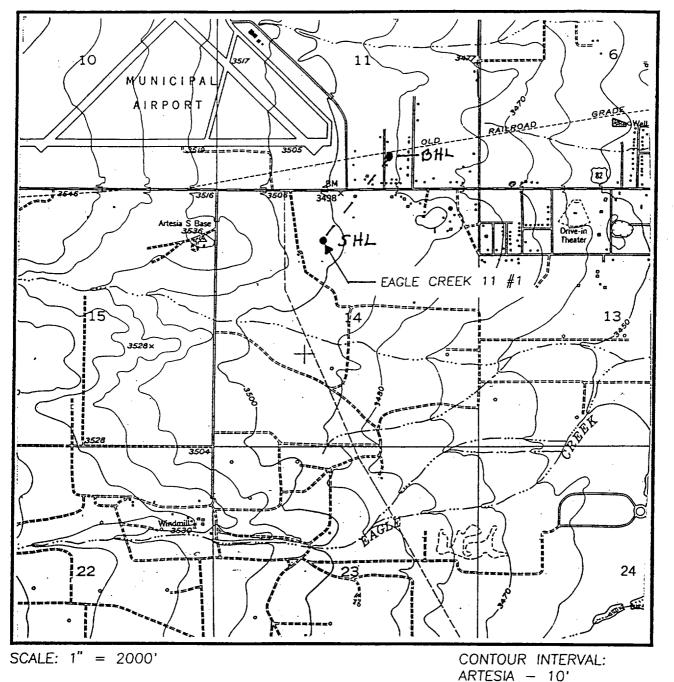
#### Bottom Hole Location If Different From Surface

Ti	UL a lot No. Section Townsh		tion Township Range		Lot Idn Feet from the		North/South line	Feet from the	East/West line	County	
	0 11 17		17 S	25 E   660		660	SOUTH	1980	EAST	EDDY	
	Dedicated Acres	Joint o	r Infill C	onsolidation	Code Or	der No.	<u> </u>	l	<u> </u>		
	<b>32</b> 0	J									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OR A NON-STAN	DARD UNIT	HAS BEEN	APPROVED	BY TH	E DIVISION
						OPERATOR CERTIFICATION
			1			I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.
						Signature South Indian
						E. Scott Kimbrough Printed Name
		<u></u>	· · · · · · · · · · · · · · · · · · ·	1980'		Mgr Drilling & Production
		//		1900 -		10/27/98 Date
11		// 9	-		11	SURVEYOR CERTIFICATION
14	1070.	1,			14	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me er under my supervison and that the same is true and correct to the best of my belief.
2110						SEPTEMBER 17, 1998  Date Surveyord DMCC  Signature B Sea Friend DMCC  Professional Surveyord DMCC
						B-1-12
						Curcuit ato No. RONA DE EIDSON 3239  CART DESON 12641  IN A OFESSI WHO THE MICDONALD 12185

# LOCATION VERIFICATION MAP



SEC. <u>14</u> TWP. <u>17-S</u> RGE. <u>25-E</u>

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1070' FNL & 2110' FWL

ELEVATION 3498

OPERATOR EAGLE CREEK 11

LEASE NEARBURG PRODUCING COMPANY

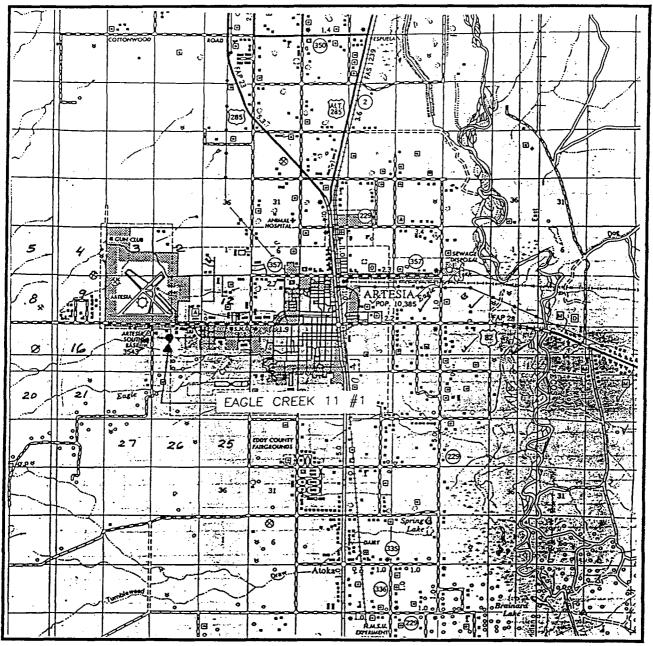
U.S.G.S. TOPOGRAPHIC MAP

ARTESIA, N.M.

JOHN WEST ENGINEERING HOBBS, NEW MEXICO (505) 393-3117



# VICINITY MAP



SCALE: 1'' = 2 MILES

SEC. <u>14</u> TWP. <u>17-S</u> RGE. <u>25-E</u>
SURVEY N.M.P.M.
COUNTYEDDY
DESCRIPTION 1070' FNL & 2110' FWL
ELEVATION 3498
OPERATOR EAGLE CREEK 11
LEASE NEARBURG PRODUCING COMPANY

JOHN WEST ENGINEERING HOBBS, NEW MEXICO (505) 393-3117

# Scientific Drilling Planning Report

Company: Negroung Producing Company Date: 9/28/98 Time: 15:56:13 Page:
\*New: Registrose: Site: Eddy County, New Mexico, True North
\*New: Eddy County New Mexico Vortical (TVD) Reference: SiTE (Q.OE.Q.ON, 34:5Az)

Welle: Eagle Greek "11" #1 Section (VS) Reference: Site (Q.OE.Q.ON, 34:5Az)

Welle: CH Original (Note: Plan #1

Field: Eagle Creek Local Coordinate Reference: Site Centre
Location of Field Centre: N/A

Field Centre Map Easting: M
Field Centre Map Northing: 
State Plane Coordinate System 1927 Direction of Local North: True

Map Projection & Zone: US State Plane Coordinate System 1927 Direction of Local North: True
Texas, Central Zone

Ethipsoid: Clarke - 1866 Local Vertical Reference: Wellpath Datum

Field Datum: Mean Sea Level Geomagnetic Model: IGRF95

Site: Eddy County, New Mexico

2110 FWL & 1070 FNL Sec 14 T178 R25E

Site Centre: m E Latitude

m N Longitude

Site Water Depth: 0.0 ft

Magnetic Declination: 0.00 deg Grid Convergence: 0.00 deg

Measured Depths Referenced To: SITE 0.0 ft above Mean Sea Level

Well: Eagle Creek "11" #1

Originating From: 0.0 ft +N/-S Map Easting: 0.00 m

0.0 ft +E/-W Map Northing: 0.00 m

Wellpath: OH Original hole

Origin of Vertical Section: Site Centre 0.0 ft +N/-S 0.0 ft +E/-W

Direction of Vertical Section: 34.50 deg

Plan: Plan#1

Date Composed: 9/28/98

Version: 1

Principal: Yes Locked: No

Plan Section Information

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## **Scientific Drilling Planning Report**

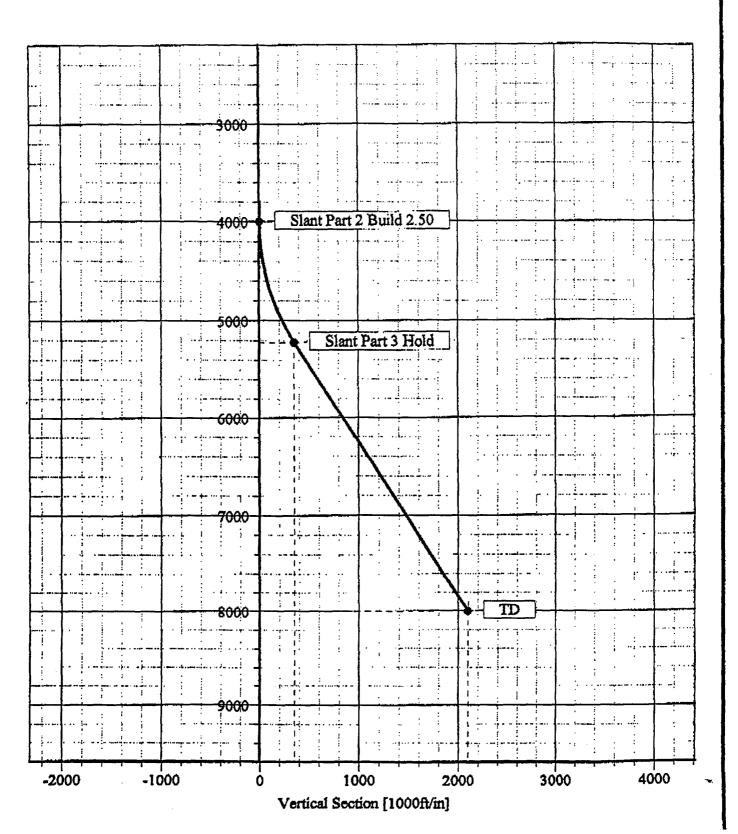
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									7.79			

Nearburg Producing Company

Field: Eagle Creek

Site: Eddy County, New Mexico Well: Eagle Creek "11" #1 Wellpath: OH Original hole Plan: Plan #1







Nearburg Producing Company
Field: Eagle Creek
Site: Eddy County, New Mexico
Well: Eagle Creek "11" #1
Wellpath: OH Original hole
Plan: Plan #1



