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February 23, 1999

OIL CONSERVATION DIV.
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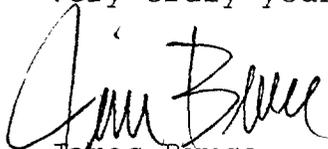
12151

Florene Davidson
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed are an original and two copies of an application for an unorthodox gas well location, and a proposed advertisement, filed on behalf of Nearburg Exploration Company, L.L.C. Please set this case for the March 18, 1999 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Nearburg Exploration
Company, L.L.C.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF NEARBURG EXPLORATION
COMPANY, L.L.C. FOR AN UNORTHODOX GAS
WELL LOCATION, LEA COUNTY, NEW MEXICO.

No. 12156

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APPLICATION

Nearburg Exploration Company, L.L.C. applies for approval of an unorthodox gas well location in the S½ of Section 28, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant proposes to drill its Range State Well No. 2, at an unorthodox gas well location 660 feet from the South line and 990 feet from the East line (Unit P) of Section 28, to a depth sufficient to test the Morrow formation (Undesignated East Gramma Ridge-Morrow Gas Pool). Applicant requests unorthodox location approval for all zones from the top of the Wolfcamp formation to the base of the Morrow formation.

2. Approval of the unorthodox location will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that the Division enter its order approving the unorthodox gas well location.

Respectfully submitted,



James Bruce
Post Office Box 1056
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(505) 982-2043

Attorney for Nearburg Exploration
Company, L.L.C.

PROPOSED ADVERTISEMENT

Case 12151: Application of Nearburg Exploration Company, L.L.C. for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location for all zones from the top of the Wolfcamp formation to the base of the Morrow formation in its Range State Well No. 2, to be located 660 feet from the south line and 990 feet from the east line (Unit P) of Section 28, Township 21 South, Range 35 East, NMPM. The S½ of Section 28 will be dedicated to the well. Said unit is located approximately 12½ miles west of Eunice, New Mexico.

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