



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

July 1, 1999

Nearburg Exploration Company, L.L.C.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151

Administrative Order NSL-4323

Dear Mr. Bruce:

Reference is made to your application dated June 11, 1999 on behalf of the operator, Nearburg Exploration Company, L.L.C., for its proposed Crow Flats "3" Federal Well No. 1 to be drilled at an unorthodox Morrow gas well location 960 feet from the South line and 760 feet from the West line (Unit U) of irregular Section 3, Township 16 South, Range 28 East, NMPM, Eddy County, New Mexico.

The S/2 of Section 3, being a standard 320-acre lay-down gas spacing and proration unit for the Undesignated Diamond Mound-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 within the SW/4 of Section 3.

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

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

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: Case No. 12202 /