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June 15, 1999

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 87505

12212

99 JUN 15 PM 3:54

OIL CONSERVATION DIV.

Re: *Application of Nearburg Exploration Company, L.L.C., for an Unorthodox Well Location, Lea County, New Mexico*

Dear Ms. Wrotenbery:

On behalf of Nearburg Exploration Company, L.L.C., please find enclosed our application for an unorthodox gas well location which we request be set for hearing on the next available Examiner docket now scheduled for July 8, 1999. Also enclosed is our proposed legal advertisement.

On June 3, 1999, we filed an administrative application for the unorthodox location which is the subject of the enclosed application. On June 11, we received from Tom Kellahin, who represents Mitchell Energy Corporation, a copy of a letter addressed to the Oil Conservation Division in which Mr. Kellahin states Mitchell's objection to the proposed location, and which requests that the matter be set for hearing before a Division Examiner. As with the administrative application, we will provide Mitchell with notice of the enclosed application and the requested July 9, 1999 hearing date.

Very truly yours,



WILLIAM F. CARR
PAUL R. OWEN
PRO:mlh
Enclosure

cc: Mr. Duke Roush (w/enclosures)
W. Thomas Kellahin (w/enclosures)

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

99 JUN 15 PM 3:54

OIL CONSERVATION DIV.

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

CASE NO. 12212

APPLICATION

NEARBURG EXPLORATION COMPANY, L.L.C., ("Nearburg"), through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order approving an unorthodox well location, and in support of this application states:

1. Applicant is a working interest owner in Section 25, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and proposes to drill a well to the Morrow formation, Undesignated East Lusk-Morrow Gas Pool, at an unorthodox gas well location 990 feet from the South line and 660 feet from the East line of said Section 25.
2. Applicant seeks an exception to Rule 104 C(2)(b) of the General Rules and Regulations of the Oil Conservation Division to permit the drilling of this well at this unorthodox gas well location.
3. The E/2 of Section 25 should be dedicated to the well.
4. Approval of this application will afford the interest owners in this irregular Section the opportunity to produce their just and equitable share of the reserves under the subject spacing and proration unit and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Nearburg Exploration Company, L.L.C. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 8, 1999, that notice be given as required by law and the rules of the Division, and that the Division enter its Order granting this application.

Respectfully submitted,

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

By: 
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ATTORNEYS FOR NEARBURG
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