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FAX COVER SHEET

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MEMO: Florene: Enclosed is a proposed advertisement for a compulsory pooling application to be filed for Nearburg Exploration Company, L.L.C. Please set this case for the November 18th hearing. I will hand deliver the application tomorrow.

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## PROPOSED ADVERTISEMENT

12287

Case 12287 : Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy 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 7, Township 22 South, Range 26 East, NMPM, and in the following manner: The W $\frac{1}{2}$  to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Hackberry Hills-Canyon Gas Pool, Undesignated Happy Valley-Strawn Gas Pool, Undesignated Hackberry Hills-Atoka Gas Pool, and Happy Valley-Morrow Gas Pool; the SW $\frac{1}{4}$  to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and the NE $\frac{1}{4}$ SW $\frac{1}{4}$  to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent, including the Undesignated Filaree Dome-Delaware Pool and Undesignated Happy Valley-Bone Spring Pool. The units are to be dedicated to applicant's White Tip "7" Fed. Well No. 2, to be located 1500 feet from the south line and 1980 feet from the east line (Unit K) of Section 7. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 6.5 miles west-southwest of Carlsbad, New Mexico.