

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

IN THE MATTER OF THE APPLICATION  
OF NEARBURG EXPLORATION COMPANY, L.L.C.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 127/9  
99 DEC 14 PM 3:54  
OIL CONSERVATION DIV.

**APPLICATION**

NEARBURG EXPLORATION COMPANY, L.L.C. ("Nearburg"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.S.A. 1978, Section 70-2-17, for an order pooling all mineral interests from the surface to the base of the Morrow formation, under the following acreage in Section 30, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico:

- A. the N/2 to form a standard 320-acre gas spacing and proration unit for formations and/or pools developed on 320-acre spacing within that vertical extent which presently include but are not necessarily limited to the Logan Draw Morrow Gas Pool;
- B. the NE/4 to form a standard 160-acre spacing and proration unit for formations and/or pools developed on 160-acre spacing within that vertical extent;
- C. the S/2 NE/4 to form a standard 80-acre spacing and proration unit for formations and/or pools developed on 80-acre spacing within that vertical extent; and
- D. the SE/4 NE/4 to form a standard 40-acre gas spacing and proration unit for

formations and/or pools developed on 40-acre spacing within that vertical extent.

Said spacing and proration units are to be dedicated to a well to be drilled at standard location in the SE/4 NE/4 of said Section 30, and in support of its application states:

1. Nearburg is a working interest owner in said Section 30 and has the right to drill thereon.

2. Nearburg proposes to dedicate the above-referenced spacing or proration units to a well to be drilled at a standard location in the NE/4 of said Section 30, to a depth sufficient to test any and all formations to the base of the Morrow formation.

3. Nearburg has sought and been unable to obtain voluntary agreement for the development of these spacing and proration units from those interest owners identified on Exhibit A to this application.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Nearburg Producing Company, L.L.C. should be designated the operator of the well to be drilled.

WHEREFORE, Neaburg Exploration Company, L.L.C. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 6, 2000, and, after notice and hearing as required by law, the Division enter its order pooling the

lands, including provisions designating Nearburg operator of these spacing and proration units, and authorizing Nearburg to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, imposing a risk factor for the risk assumed by Nearburg in drilling, completing and equipping the well.

Respectfully submitted,

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

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COMPANY, L.L.C.

**EXHIBIT A  
NOTIFICATION LIST  
APPLICATION OF NEARBURG EXPLORATION COMPANY  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**SECTION 30, TOWNSHIP 17 SOUTH, RANGE 27 EAST,  
NMPM, EDDY COUNTY, NEW MEXICO**

Devon Energy Corporation  
20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102

CASE 19319:

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, the N/2 for all formations developed on 320-acre spacing including but not limited to the Logan Draw Morrow Gas Pool, the NE/4 for all formations developed on 160-acre spacing, the S/2 NE/4 for all formations developed on 80-acre spacing, and the SE/4 NE/4 for all formations developed on 40-acre spacing, all in Section 30, Township 17 South, Range 27 East, NMPM. Applicant proposes to dedicate these pooled units to a well to be drilled at a standard gas well in the SE/4 NE/4 of said Section 30. Also to be considered will the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 4 miles southeast Artesia, New Mexico.