

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. 12651

OIL CONSERVATION DIV.
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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 19, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico:

- A. the W/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;
- B. the NW/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 W/2 NW/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 SW/4 NW/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 Nearburg's proposed Rio Pecos 19 Well #1, to be drilled at standard location in the SW/4 NW/4 of said Section 19, and in support of its application states:

1. Nearburg is a working interest owner in said Section 19 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 NW/4 of said Section 19, 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 March 2, 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.

By: 

WILLIAM F. CARR

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ATTORNEYS FOR NEARBURG EXPLORATION
COMPANY, L.L.C.

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

**SECTION 19, TOWNSHIP 18 SOUTH, RANGE 27 EAST,
NMPM, EDDY COUNTY, NEW MEXICO**

Winnie Dill Knox, Dec.
300 Crescent Court, Suite 1630
Dallas, TX 75201

Diana Peacc
12512 Monarch Dr., NE
Albuquerque, NM 87123

Winne Dill Knox, Trustee, UWO
T. B. Knox, Dec.
300 Crescent Court, Suite 1630
Dallas, TX 75201

Chase Bank of Texas
Trustee for Angela Starrett and RE. Boyle
400 W. Illinois
Midland, TX 79702

Jack Dill Knox
300 Crescent Court, Suite 1630
Dallas, TX 75201

Ralph Nix, A Partnership
P.O. Box 440
Artesia, NM 88210

Therylene Knox Helm
4401 Edmonson
Dallas, TX 75205

Sheryl S. Johnson
3209 SW Belle Ave.
Topeka, KS 66614-4027

Texacal Oil and Gas, Inc.
4299 McArthur Blvd.
Newport Beach, CA 92660

Spear Brothers Sheep & Cattle
P.O. Box 788
Hobbs, NM 88240

James Mayberry
3426 Eastern Ave., SE
Apt. 14
Albuquerque, NM 87106

Martin Yates, III
105 South Fourth Street
Artesia, NM 88210

Richard D. Jones, Jr.
Route 2, Box 57B
Cedar Creek, TX 78612

Mariene Counts
3217 N. Halstade Street
Hutchison, KS 67501

Eddie V. Peoples
214 N. Browning
Carthage, TX 75633

Frank Lee Muncy
7750 E. Broadway, #513
Mesa, AZ 85208

Pogo Producing Co.
P.O. Box 10340
Midland, TX 79702-7340

Yates Brothers, A Partnership
105 South Fourth Street
Artesia, NM 88210

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

James A. and Judith A. Brown
RR2
Miller, MO 65707-9802

Larry L. Redford
2608 Pearl
Odessa, TX 79760

Edna Mae Watt
400 Holland Drive
Broderick, CA 95605

Sonja Lopez
4006 San Andres, SE
Albuquerque, NM 87110

Craig and Sheryl Collins
3209 SW Belle Avenue
Topeka, KS 66614-4027

Stella P. Herrell
1003 Lynda Lane
Arlington, TX 76103

George Lundblade
c/o Dr. Chamber Loughridge, Inc. Exec.
3901 River Drive
Alexandria, VA 22309-3053

Ruby Rogers c/o Ron Rogers
Rural Route 4
Abilene, KS 67410

Jesma Hopper for the Estates of
Pauline R. and Homer A. Swearingen
2364 N. Richmond Street
Wichita, KS 67204-5538

Bank of America, Trustee for the
Birdie F. Coryell Rev. Trust 10/2/85
P.O. Box 830308
Dallas, TX 75283-0308

Kenneth W. Brown, Ind. Exec of the
Estate of Gleason Brown, Dec.
756 Bacon Road
Hinesville, GA 31313

Estate of James A. Collier, Jr.
c/o Greg Collier and James Collier Jr.
1113 Shady Oak
McKinney, TX 75070

First National Bank of Topeka
Trustee of the Julie J. Martin Living Trust
P.O.Box 88
Topeka, KS 66601

Louise M. Richardson Estate
c/o Mary Harris
P.O. Box 53
Richmond, KS 66080

John C. and Stephen A. Major, Trustees
John Charles Major
P.O. Box 250
Reydon, OK 73660

CASE 12357

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 W/2 for all formations developed on 320-acre spacing, the NW/4 for all formations developed on 160-acre spacing, the W/2 NW/4 for all formations developed on 80-acre spacing, and the SW/4 NW/4 for all formations developed on 40-acre spacing, all in Section 19, Township 18 South, Range 27 East, NMPM. Applicant proposes to dedicate these pooled units to its proposed Rio Pecos 19 Well #1, to be drilled at a standard gas well in the SW/4 NW/4 of said Section 19. 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 10 miles southeast of Artesia, New Mexico.