

**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.

OIL CONSERVATION DIV.
00 APR 11 PM 1:19

CASE NO.

#72396

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 underlying the E/2 of Section 12, Township 22 South, Range 25 East, NMPM, Eddy County, New Mexico, 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, including but not limited to the undesignated Catclaw Draw-Wolfcamp Gas Pool, undesignated Hackberry Hills-Canyon Gas Pool, undesignated Hackberry Hills-Atoka Gas Pool, and Revelation-Morrow Gas Pool. Said spacing and proration units are to be dedicated to Nearburg’s proposed White Tip 12 Fed. Com. Well # 1, to be drilled at standard location in the SE/4 (Unit P) of said Section 12, and in support of its application states:

1. Nearburg is a working interest owner in said Section 12 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 SE/4 of said Section 12, 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, Nearburg Exploration Company, L.L.C. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 4, 2000, and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Nearburg Producing Company, L.L.C., 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

PAUL R. OWEN

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

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 12, TOWNSHIP 22 SOUTH, RANGE 25 EAST,
NMPM, EDDY COUNTY, NEW MEXICO**

Fasken Land & Minerals, Ltd.
303 West Wall
Midland, Texas 79701

Falconer Resources
Falconer Resources Joint Venture 1993
Post Office Box 7995
Tyler, Texas 75711

Matador E&P Company, Inc.
8340 Meadow Road, Suite 158
Dallas, Texas 75231

CASE 12396.

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 underlying the E/2 of Section 12, Township 22 South, Range 25 East, NMPM, Eddy County, New Mexico, 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, including but not limited to the undesignated Catclaw Draw-Wolfcamp Gas Pool, undesignated Hackberry Hills-Canyon Gas Pool, undesignated Hackberry Hills-Atoka Gas Pool, and Revelation-Morrow Gas Pool. Said spacing and proration units are to be dedicated to Nearburg's proposed White Tip 12 Fed. Com. Well # 1, to be drilled at standard location in the SE/4 (Unit P) of said Section 12. Also to be considered will be: 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 Nearburg Producing Company, L.L.C., as operator of the well; and, a charge for risk involved in drilling said well. Said area is located approximately 7 miles Southwest of Carlsbad, New Mexico.