

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

OIL CONSERVATION DIV.
00 APR 10 PM 12:43

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

CASE NO. 12397

APPLICATION

NEARBURG EXPLORATION COMPANY, L.L.C. ("Nearburg"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat.Ann. § 70-2-17, (1978), for an order pooling all mineral interests in all formations developed on 320-acre spacing in the of Section 19, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, which includes but is not necessarily limited to the Undesignated Logan Draw-Morrow Gas Pool, and in support thereof states:

1. Nearburg is a working interest owner in the W/2 of Section 19 and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration units to its Mandalay "19" State Com Well No. 1 to be drilled to a standard location 990 feet from the North line and 1650 feet from the West line of said Section 19, to a depth sufficient to test any and all formations from the surface to the base of the Morrow formation. The primary objective in the well will be the Morrow formation, Undesignated Logan Draw-Morrow Gas Pool.

3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the subject spacing units 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 should be designated the operator of the well to be drilled.

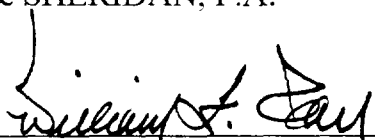
WHEREFORE, Nearburg Exploration Company, L.L.C. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 4, 2000 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Nearburg Producing Company, L.L.C. operator of these units and the well to be drilled thereon,
- C. authorizing Nearburg to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by the Applicant in drilling and completing the well against any working interest owner who does not

voluntarily participate in the drilling of the well.

Respectfully submitted,

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

By: 

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

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

EXHIBIT A

**APPLICATION OF
NEARBURG EXPLORATION COMPANY, L.L.C.
FOR COMPULSORY POOLING
W/2 OF SECTION 19, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO**

Eddelman Oil Company
c/o Walsh & Watts, Inc.
1111 7th Street
Wichita Falls, Texas 76301

ATTN: Mr. Al Guin

Mary D. Fleming Walsh
c/o Walsh & Watts, Inc.
1111 7th Street
Wichita Falls, Texas 76301

ATTN: Mr. Al Guin

Ruth Pearl Jeffers
c/o Bank of America
Oil & Gas Management
Post Office Box 830308
Dallas, Texas 75283-0308

ATTN: Sharon G. Gibbs
Routing Code TX 1-492-17-01

Altura Energy, Ltd.
Post Office Box 4294
Houston, Texas 77210-4294

ATTN: Jerry West

Wilson Oil Company
Post Office Box 1297
Santa Fe, New Mexico 87504

CASE 12397:

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 in all formations developed on 320-acre spacing in the W/2 of Section 19 Township 17 South, Range 28 East, NMPM, which includes but is not necessarily limited to the Undesignated Logan Draw-Morrow Gas Pool. Said units are to be dedicated to its Mandalay "19" State Com Well No. 1 to be drilled at a standard location 990 feet from the North line and 1650 feet from the West line of said Section 19 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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 11 miles East of Artesia, New Mexico.