



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

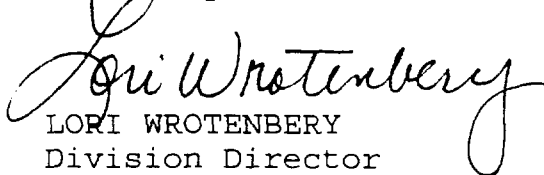
December 7, 2000

Mr. William F. Carr
Campbell, Carr, Berge & Sheridan
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico 87504-2208

Dear Mr. Carr:

Based upon the reasons stated in your letter of December 6, 2000, and in accordance with the provisions of Division Order No R-11425, Nearburg Exploration Company, L.L.C. is hereby granted an additional extension of time until March 20, 2001, in which to commence drilling the well pooled by this order.

Sincerely,


LORI WROTENBERY
Division Director

fd/

cc: Case No. 12413
OCD - Hobbs

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& SHERIDAN, P.A.
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December 6, 2000

HAND DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RECEIVED
DEC 6 2000
10:42 AM

Re: Oil Conservation Division Case No. 12413: Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico.

Dear Ms. Wrotenbery;

On July 18, 2000, the Division entered Order No. R-11425 which granted the application of Nearburg Exploration Company, L.L.C. in the above-referenced case pooling all uncommitted interests from the surface to the base of the Morrow formation under the following spacing and proration units in Section 13, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico:

- A. N/2 to form a standard 320-acre spacing and proration unit for all formations and/or pools developed on 320-acre spacing;
- B. NE/4 to form a standard 160-acre spacing and proration unit for all formations and/or pools developed on 160-acre spacing; and
- C. SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on 40-acre spacing.

Letter to Lori Wrotenbery
December 6, 2000
Page 2

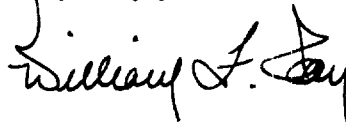
These pooled units are to be dedicated to the Stetson "13" Federal Well No. 1 which Nearburg proposes to drill at a standard location in the N/2 of Section 13.

Order R-11425 provides that in the event Nearburg does not commence drilling operations on or before October 20, 2000, this pooling order shall be of no effect unless Nearburg obtains a time extension from the Division Director for good cause shown. This order was extended by your letter dated October 10, 2000 until January 20, 2001. The purpose of this letter is to request an additional 90-day extension of Order No. R-11425.

Nearburg intends to drill the Stetson "13" Federal Well No. 1 in the N/2 of Section 13. However, it continues to encounter delays in obtaining and scheduling a rig for this well. Nearburg will not be able to commence drilling until during the first quarter of 2001 and will be unable to commence drilling prior to the current deadline set by Order No. R-11425 as previously extended by the Division. An extension of Order No. R-11425 from January 20, 2001 to March 20, 2001 is therefore needed.

Your attention to this request is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large initial "W" and a stylized "C".

William F. Carr

cc: Mark Wheeler
Nearburg Exploration Company, L.L.C.