

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

October 10, 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 October 10, 2000, and in accordance with the provisions of Division Order No R-11425, Nearburg Exploration Company, L.L.C. is hereby granted an extension of time until January 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

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

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October 10, 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

> Oil Conservation Division Case No. 12413: Application of Nearburg Re: 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:

- N/2 to form a standard 320-acre spacing and proration unit for all formations Α. and/or pools developed on 320-acre spacing;
- NE/4 to form a standard 160-acre spacing and proration unit for all formations В. 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 October 10, 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. The purpose of this letter is to request a 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 has encountered delays in obtaining a rig for this well and cannot proceed with drilling until sometime late this year or early in 2001. An extension of Order No. R-11425 from October 20, 2000 to January 20, 2001 is therefore needed.

Your attention to this request is appreciated.

Very truly yours,

William F. Carr

cc: Mark Wheeler

Nearburg Exploration Company, L.L.C.