

**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,
LEA COUNTY, NEW MEXICO.**

CASE NO.

AMENDED APPLICATION

15413

CLERK OF COURT
LEA COUNTY, NM
RECEIVED
MAY 10 AM 9:52

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 N/2 which includes but is not limited to the Undesignated North Quail Ridge-Morrow Gas Pool and the Undesignated East Gem-Morrow Gas Pool; in all formations developed on 160-acre spacing in the NE/4 which includes but is not limited to the Undesignated Quail Ridge-Yates Gas Pool; and in all formations developed on 40-acre spacing under the SW/4 NE/4 which includes but is not limited to the Undesignated Tonto (Seven Rivers) Pool, the Undesignated Tonto Wolfcamp Pool, the Undesignated Southeast Buffalo-Bone Spring Pool and the Undesignated East Gem-Delaware Pool all in Section 13, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Nearburg is a working interest owner in the N/2 of Section 13 and has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced spacing or proration units to its Stetson "13" Federal Com Well No. 1 to be drilled at a standard location 1650 feet from the North and East lines of said Section 13, to an approximate depth of 13,600 feet to test any and all formations from the surface to the base of the Morrow formation.

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.

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 June 1, 2000, and, after notice and hearing as required by law, the Division enter its order:

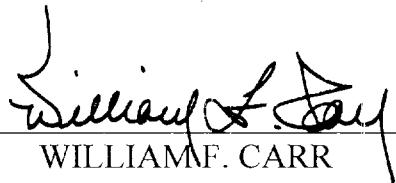
- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Nearburg Producing Company operator of these units and the well to be drilled thereon,
- C. authorizing Nearburg to recover its costs of drilling, equipping and completing the well,
- D. approving the actual 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.

CASE 12413:

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea 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 N/2 which includes but is not necessarily limited to the Undesignated North Quail Ridge-Morrow Gas Pool and the Undesignated East Gem-Morrow Gas Pool, in all formations developed on 160-acre spacing in the NE/4 which includes but is not necessarily limited to the Undesignated Quail Ridge-Yates Gas Pool, and in all formations developed on 40-acre spacing in the SW/4 NE/4 which includes but is not necessarily limited to the Undesignated Tonto (Seven Rivers) Pool, the Undesignated Tonto Wolfcamp Pool, the Undesignated Southeast Buffalo-Bone Spring Pool and the Undesignated East Gem-Delaware Pool, all in Section 13 Township 19 South, Range 33 East. Said unit is to be dedicated to its Stetson "13" Federal Com Well No. 1 to be drilled at a standard location 1650 feet from the North and East lines of said Section 13 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 as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 11 miles northeast of Halfway, New Mexico.