



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
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Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

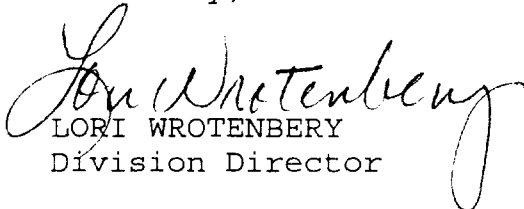
August 23, 2000

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 August 23, 2000, and in accordance with the provisions of Division Order No R-11393, Nearburg Exploration Company, L.L.C. is hereby granted an extension of time until December 9, 2000, in which to commence drilling the well pooled by this order.

Sincerely,


LORI WROTENBERY
Division Director

fd/

cc: ✓ Case No. 12415
OCD - Artesia

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

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
TANYA M. TRUJILLO

JACK M. CAMPBELL
1916-1999

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: law@westofpecos.com

August 23, 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

Re: Oil Conservation Division Case No. 12415: *Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico.*

Dear Ms. Wrotenbery;

On June 7, 2000, the Division entered Order No. R-11393 which granted the application of Nearburg Exploration Company, L.L.C. in the above-referenced case pooling all mineral interests from the surface to the base of the Morrow formation under the following spacing and proration units in Section 29, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico:

- A. E/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;
- C. E/2 NE/4 to form an 80-acre spacing and proration unit for all formations and/or pools developed on 160-acre spacing; and

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Lori Wrotenbery
August 23, 2000
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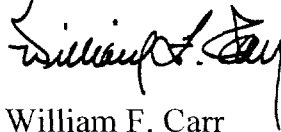
- D. SE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on 40-acre spacing.

These pooled units are to be dedicated to the Pathfinder "29" State Com Well No. 1 which Nearburg proposes to drill at a standard location in the E/2 of Section 29.

Order R-11393 provides that in the event Nearburg does not commence drilling operations on or before September 9, 2000, this pooling order shall be of no further 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-11393.

Nearburg intends to drill the Pathfinder "29" State Com Well No. 1 in the E/2 of Section 29. However, there is off-set development in the area and Nearburg will not be able to determine the exact location necessary to most effectively enable it to recover the reserves under the subject acreage until it receives and reviews the information from these wells. An extension of Order No. R-11393 from September 9, 2000 to December 9, 2000 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", with a stylized flourish at the end.

William F. Carr

WFC/md

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