

**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,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 12415

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 E/2, in all formations developed on 160-acre spacing in the NE/4 , in all formations developed on 80-acre spacing under the E/2 NE/4, and in all formations developed on 40-acre spacing under the SE/4 NE/4 of Section 29, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Nearburg is a working interest owner in the E/2 of Section 29 and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration units to its Pathfinder "29" State Com Well No. 1 to be drilled as a wildcat well to a standard location 1980 feet from the North line and 660 feet from the East line of said Section 29, to an approximate depth of 11,000 feet to test any and all formations from the surface to the base of the Morrow formation.

COMMITTEE - 9 MAY 11:49

CLERK - 11:01 AM

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.

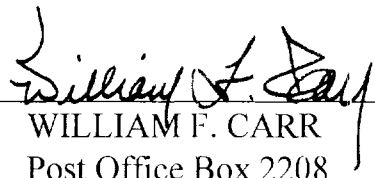
WHEREFORE, Nearburg Exploration Company, L.L.C. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 1, 2000, and, after notice and hearing as required by law, the Division enter its order:

- 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.

EXHIBIT A

**APPLICATION OF
NEARBURG EXPLORATION COMPANY, L.L.C.
FOR COMPULSORY POOLING
E/2 OF SECTION 29, TOWNSHIP 18 SOUTH, RANGE 28 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO**

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Louis Dreyfus Gas Holdings, Inc.
Quail Springs Corporate Park
14000 Quail Springs Parkway #600
Oklahoma City, Oklahoma 73134

Marathon Oil Company
Post Office Box 552
Midland, Texas 79702

Marbob Energy Corporation
Post Office Box 227
Artesia, New Mexico 88211

Pitch Energy Corporation
Post Office Box 304
Artesia, New Mexico 88211

Laura Jones
C/O Paul Slayton
Post Office Box 2035
Roswell, New Mexico 88202

EOG Resources, Inc.
Post Office Box 2267
Midland, Texas 79702

Read & Stevens, Inc.
Post Office Box 1518
Roswell, New Mexico 88201

Western Reserves Oil Company
306 Building of the Southwest
Midland, Texas 79701

Harvard Petroleum Corporation
Post Office Box 936
Roswell, New Mexico 88201

J.P. White, Jr.
Post Office Box 874
Roswell, New Mexico 88201

Robert J. Leonard
Post Office Box 400
Roswell, New Mexico 88201

Phelps White
Post Office Box 874
Roswell, New Mexico 88201

Bean Family Limited Company
Post Office Box 1738
Roswell, New Mexico 88201

Dora L. McKnight
Post Office Box 1738
Roswell, New Mexico 88201

New Mexico Western Minerals
Post Office Box 1738
Roswell, New Mexico 88201

Elk Oil Company
Post Office Box 310
Roswell, New Mexico 88201

John M. Kelly

Post Office Box 310
Roswell, New Mexico 88201

Tom P. White
Post Office Box 533
Roswell, New Mexico 88201

Cheryl W. Derrick
Post Office Box 533
Roswell, New Mexico 88201

Theodore P. White
Post Office Box 533
Roswell, New Mexico 88201

Roy G. Barton
1919 North Turner
Hobbs, New Mexico 88240

The Anderson-Malone Trust u/t/a 12/5/91
Post Office Box 87
Roswell, New Mexico 88201

Earl L. Malone, M.D.
2501 Cortez Court
Roswell, New Mexico 88201

Charles F. Malone
Living Trust u/t/a 8/1/87
Post Office Drawer 700
Roswell, New Mexico 88201

Jean A. Eaton
5921 South Datura Court
Littleton, Colorado 80120

Baynard W. Malone, as Trustee of the Elizabeth A. Malone
Testamentary Trust f/b/o Edna M. Schwartz
Post Office Box 87
Roswell, New Mexico 88201

Baynard W. Malone, as Trustee
for Ross L. Malone Testamentary Trust
Post Office Box 87
Roswell, New Mexico 88201

Margaret B. Nichols, Individually and as sole devisee
under the Will of Leonard Nichols, diseased
c/o J.R. McCutcheon
P.O. Box 1144
Odessa, TX 79760

CASE _____: 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 E/2, in all formations developed on 160-acre spacing in the NE/4, in all formations developed on 80-acre spacing in the E/2 NE/4, and in all formations developed on 40-acre spacing in the SE/4 NE/4 of Section 29 Township 18 South, Range 28 East. Said unit is to be dedicated to its Pathfinder "29" State Com Well No. 1 to be drilled at a standard location 1980 feet from the North line and 660 feet from the East line of said Section 29 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 9 miles Southeast of Artesia, New Mexico.