

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. 12465

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OIL CONSERVATION DIV.

APPLICATION

NEARBURG EXPLORATION COMPANY, L.L.C. by its undersigned attorneys, Miller

Stratvert & Torgerson, P.A. (J. Scott Hall), hereby makes application pursuant to Section 70-2-17, N.M.S.A. (1978) for an order pooling all mineral interests underlying the following described acreage in Section 19, Township 18 South, Range 28 East, NMPM: a.) E/2 to form a standard 320-acre gas spacing and proration unit or units for all formations and/or pools developed on 320-acre spacing within that vertical extent, including the undesignated North Illinois Camp Morrow Gas Pool and the undesignated South Empire Morrow Gas Pool; b.) NE/4 for all 160 acre formations; c) N/2 NE/4 for all 80 acre formations and d.) NW/NE for all 40 acre formations, including the Artesia Queen, Grayburg- San Andres pool. Said units are to be dedicated to Applicant's proposed Pathfinder 19 State Com. Well No. 1 to be drilled at a standard Morrow gas well location 660 feet from the North line and 1, 980 feet from the East line in the NW/NE of said Section 19. 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, L.L.C. as operator of the well and a charge for risk involved in drilling said well. Applicant, in support thereof would show the Division:

1. Applicant owns a substantial portion of the working interest in and under the E/2 of Section 19, and Applicant has the right to drill thereon.

2. Applicant has sought, but has been unable to obtain either voluntary agreement for pooling or farmout from one hundred percent of the other interest owners in the E/2 of said Section 19.

3. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

4. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on August 10, 2000, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for applicant to recover its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

MILLER, STRATVERT & TORGERSON, P.A.

By 

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ATTORNEYS FOR NEARBURG EXPLORATION