



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

January 6, 2003

Mr. William F. Carr
Holland & Hart
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87505

Dear Mr. Carr:

Based upon the reasons stated in your letter of January 2, 2003, and in accordance with the provisions of Division Order No. R-11853, Nearburg Exploration Company, L.L.C. is hereby granted an extension of time until May 1, 2003, in which to commence re-entry of the well pooled by this order.

Sincerely,


LORI WROTENBERY
Division Director

fd/

cc: ✓ Case No. 12939
OCD - Hobbs

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

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William F. Carr

wcarr@hollandhart.com

January 2, 2003

VIA HAND DELIVERY

Lori Wrotenbery, Chairman
Oil Conservation Commission
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED
JAN 2 2003
12:00 PM

Re: Oil Conservation Division Case No. 12939: Application of Nearburg Exploration Company, L.L.C. for compulsory pooling and directional drilling, Lea County, New Mexico.

Dear Ms. Wrotenbery;

On October 24, 2002, the Division entered Order No. R-11853 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 Strawn formation underlying the S/2 SE/4 of Section 15, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico. This pooled unit is dedicated to the Guernsey "15" Well No. 1Y which Nearburg proposes to re-enter and directionally drill from a surface location 710 feet from the North line and 570 feet from the East Line (Unit A) of Section 22, Township 17 south, Range 37 East, NMPM, to a standard bottomhole location 510 feet from the South line and 660 feet from the East line (Unit P) of Section 15 to test the Strawn formation.

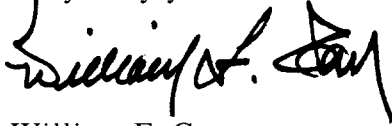
Order R-11853 provides that in the event Nearburg does not commence drilling operations on or before February 1, 2003, this pooling order shall be of no effect unless Nearburg obtains a time extension from the Division Director for good cause shown. The purpose of this letter is to request a 90-day extension of Order No. R-11853.

Nearburg intends to drill the Guernsey "15" Well No. 1Y as proposed. However, it has encountered delays in obtaining and scheduling the rig for this well. Nearburg will be unable to commence drilling prior to the current deadline set by Order No. R-11853. An extension of Order No. R-11853 from February 1, 2003 to May 1, 2003 is therefore needed.

Letter to Lori Wrotenbery
January 2, 2003
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Your attention to this request is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", written in a cursive style.

William F. Carr

cc: Duke Roush
Nearburg Exploration Company, L.L.C.