

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9283
Order No. R-8583

APPLICATION OF NEARBURG PRODUCING
COMPANY FOR COMPULSORY POOLING AND
AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 6, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 11th day of January, 1988, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Nearburg Producing Company, seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the E/2 of Section 15, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico, forming a standard 320-acre gas spacing and proration unit to be dedicated to its proposed Anderson "15" Well No. 1 to be drilled at an unorthodox gas well location 1755 feet from the North line and 660 feet from the East line (Unit H) of said Section 15.

(3) At the time of the hearing the applicant requested that the compulsory pooling portion of this application be dismissed.

(4) The subject unorthodox location is necessitated by a County Road, which prevents the drilling of a well at a standard location 1980 feet from the North line and 660 feet from the East line of said Section 15.

(5) No offset operator objected to the proposed unorthodox location.

(6) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the affected formations, will prevent the economic loss caused by drilling

unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

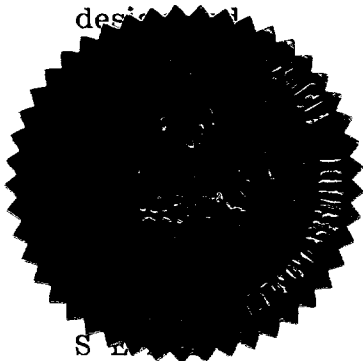
(1) The application of Nearburg Producing Company for an unorthodox gas well location for its Anderson "15" Well No. 1 to be drilled 1755 feet from the North line and 660 feet from the East line (Unit H) of Section 15, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico, is hereby approved.

(2) The E/2 of said Section 15 shall be dedicated to the above-described well forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing from the surface to the base of the Mississippian formation.

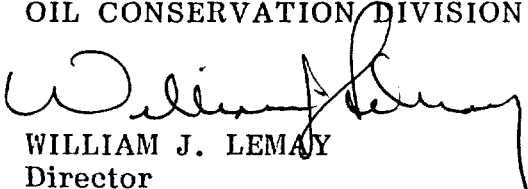
(3) The applicant's request for an order pooling all mineral interests throughout said vertical limits is hereby dismissed.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove
described.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director