

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

IN THE MATTER OF THE APPLICATION OF
NEARBURG PRODUCING COMPANY FOR
COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

RECEIVED

JUN 20 1989

CASE NO. 9693

OIL CONSERVATION DIVISION
APPLICATION

COMES NOW NEARBURG PRODUCING COMPANY, by and through its undersigned attorneys, hereby makes application pursuant to Section 70-2-17, N.M.S.A. (1978) for an order pooling all of the mineral interests from the surface to the base of the Strawn formation for any and all formations and/or pools developed on 80-acre spacing in and under the N/2 SW/4 of Section 1, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 23.2% of the working interest in and under the N/2 SW/4 of Section 1, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be located at a standard location 2130 feet from the South line and 660 feet from the West line of Section 1.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the N/2 SW/2 of Section 1, except for Pennzoil Company, the owner

of a 76.8% working interest.

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, 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 July 12, 1989, 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 drilling, equipping and completing the well, 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,

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