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September 10, 1991

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Oil Conservation Division
Energy, Minerals and Natural
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310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

10394

Gentlemen:

Enclosed is the application of Nearburg Producing Company for compulsory pooling of all mineral interests from the surface to the base of the Bone Spring Formation underlying the NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 31, Township 24 South, Range 29 East N.M.P.M., Eddy County, New Mexico. Would you please set the same for hearing on the Examiner's docket for October 3?

A copy of this letter together with a copy of the Application is forwarded this date to Mr. Pat Tower with Enron Oil & Gas Company at its indicated address in Midland, Texas.

Very truly yours,



Paul A. Cooter

PAC/tao

cc: Mr. Pat Tower

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

SEP 10 1991

OIL CONSERVATION DIV.
SANTA FE

IN THE MATTER OF THE APPLICATION
OF NEARBURG PRODUCING COMPANY FOR
COMPULSORY POOLING OF ALL MINERAL
INTERESTS FROM THE SURFACE TO THE
BASE OF THE BONE SPRING FORMATION
UNDERLYING THE NE $\frac{1}{4}$ SE $\frac{1}{4}$ SECTION 31,
TOWNSHIP 24 SOUTH, RANGE 29 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Case No.

10394

APPLICATION

Nearburg Producing Company, through its undersigned attorneys, hereby makes application for compulsory pooling of all mineral interests from the surface to the base of the Bone Spring Formation underlying the NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 31, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant is the owner of all operating rights under State Lease VB 54 underlying the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 31 except for an undivided 25% interest owned by Enron Oil & Gas Company, and proposes to drill its Diamond 31 State No. 1 Well located 1980 feet from the south line and 660 feet from the east line of said Section 31 to test the Bone Spring Formation at a depth of approximately 9100 feet.

2. Applicant proposes to dedicate a standard 40 acre spacing or proration unit to this well, all as above described. The appropriate communitization and operating agreements have been prepared and executed by all owners of interests in that proposed 40 acre unit except for:

Enron Oil & Gas Company
Post Office Box 2267
Midland, Texas 79702-2267

3. Approval of this application will enable the Applicant to produce hydrocarbons that otherwise would not be produced, and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE Applicant requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division at the earliest possible date, and that after notice and hearing as required by law and the rules of the Division, the Division enter its order granting this application.

Respectfully submitted:

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

By: 

Paul A. Cooter

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