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JUN 29 1988

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MIENRALS  
OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF NEARBURG PRODUCING COMPANY FOR  
A NON-STANDARD OIL PRORATION UNIT  
AND AN UNORTHODOX OIL WELL LOCATION,  
LEA COUNTY, NEW MEXICO

CASE: 9404  
ORDER R-8675

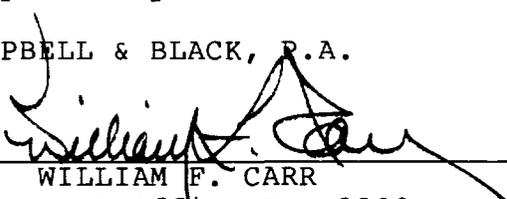
APPLICATION OF NEARBURG PRODUCING COMPANY  
FOR A DE NOVO HEARING

COMES NOW NEARBURG PRODUCING COMPANY, by and through its attorneys, Campbell & Black, P.A., and pursuant to Section 70-2-13, N.M.S.A. 1978 states that it is a party adversely affected by Division Order R-8675 entered on June 24, 1988 in Case 9404 (Exhibit "A") and accordingly requests that this case be set for a De Novo hearing before the New Mexico Oil Conservation Commission.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

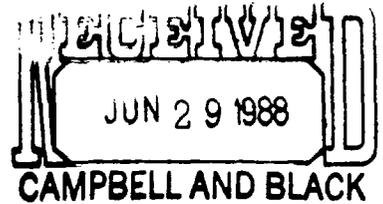
By

  
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ATTORNEYS FOR NEARBURG PRODUCING COMPANY

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. 9404  
Order No. R-8675

APPLICATION OF NEARBURG PRODUCING  
COMPANY FOR A NON-STANDARD OIL  
PRORATION UNIT AND AN UNORTHODOX  
OIL WELL LOCATION, LEA COUNTY, NEW  
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 8, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 24th day of June, 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 approval of an unorthodox oil well location 330 feet from the North and West lines (Unit D) of Section 30, Township 16 South, Range 37 East, NMPM, Undesignated Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico, said well to be dedicated to a 100.49-acre non-standard oil proration unit consisting of Lots 1 and 2 of said Section 30.

Exhibit A

(3) The above described location is within one mile of the outer boundary of the Northeast Lovington-Pennsylvanian Pool which is currently governed by Special Rules and Regulations as promulgated by Division Order No. R-3816 dated August 14, 1969, which require 80-acre spacing and proration units with wells to be located within 150 feet of the center of a governmental quarter-quarter section or lot.

(4) The applicant failed to present sufficient geological evidence and testimony at the hearing to justify the request for the proposed unorthodox oil well location.

(5) The applicant's request for an unorthodox location for the subject well should be denied.

(6) The applicant further requested approval of a 100.49-acre non-standard oil proration unit consisting of Lots 1 and 2 of said Section 30, which is necessitated by a variation in the U.S. Public Lands Survey.

(7) Approval of the proposed non-standard oil proration unit should be contingent upon the drilling of a well at a standard location or a subsequently approved unorthodox location in Lot 1 of said Section 30.

IT IS THEREFORE ORDERED THAT:

(1) The applicant's request for approval of an unorthodox oil well location 330 feet from the North and West lines (Unit D) of Section 30, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby denied.

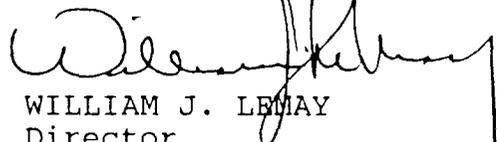
(2) A 100.49-acre non-standard oil proration unit consisting of Lots 1 and 2 of said Section 30 for the Northeast Lovington-Pennsylvanian Pool is hereby approved; provided that said proration unit shall be dedicated to a well drilled at a standard oil well location or a subsequently approved unorthodox location within Lots 1 and 2 of said Section 30.

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

CASE NO. 9404  
Order No. R-8675  
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

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