

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

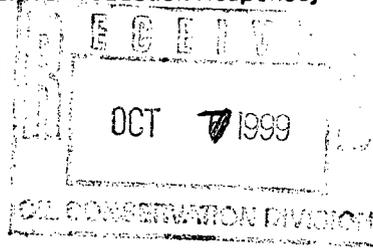
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR



[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

JAMES BRUCE
 P.O. BOX 1056
 SANTA FE, NM 87504

Note: Statement must be completed by an individual with supervisory capacity.

James Bruce

 Signature

Attorney for Applicant

 Title

10/6/99

 Date

Print or Type Name

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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(505) 982-2151 (FAX)

October 6, 1999

Hand Delivered

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

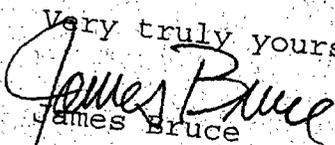
Pursuant to Division Rule 104.F.(2), Nearburg Exploration Company, L.L.C. ("Nearburg") applies for administrative approval of an unorthodox well location for the following well:

Osage Boyd "15" Fed. Com. Well No. 2
1650 feet FSL & 1980 feet FWL
W $\frac{1}{2}$ S15, Township 19 South, Range 25 East, NMPM
Eddy County, New Mexico

The well was completed in, and produced from, the Cisco/Canyon formation. It recently depleted, and Nearburg intends to deepen the well to test the Morrow formation (Undesignated Boyd-Morrow Gas Pool). However, if that attempt is unsuccessful, Nearburg intends to attempt a completion in the Undesignated Penasco Draw San Andres-Yeso Associated Pool. That pool is spaced on 320 acres, with wells to be within 150 feet of the center of a quarter-quarter section. As a result, Nearburg requests approval of the unorthodox location. **This well is the subject of Case No. 12231, and Nearburg requests that that case be dismissed.**

The well does not encroach upon any offset, and thus notice has not been mailed to any offset interest owner. Please call me if you need anything further on this matter.

Very truly yours,


James Bruce

Attorney for Nearburg Exploration
Company, L.L.C.

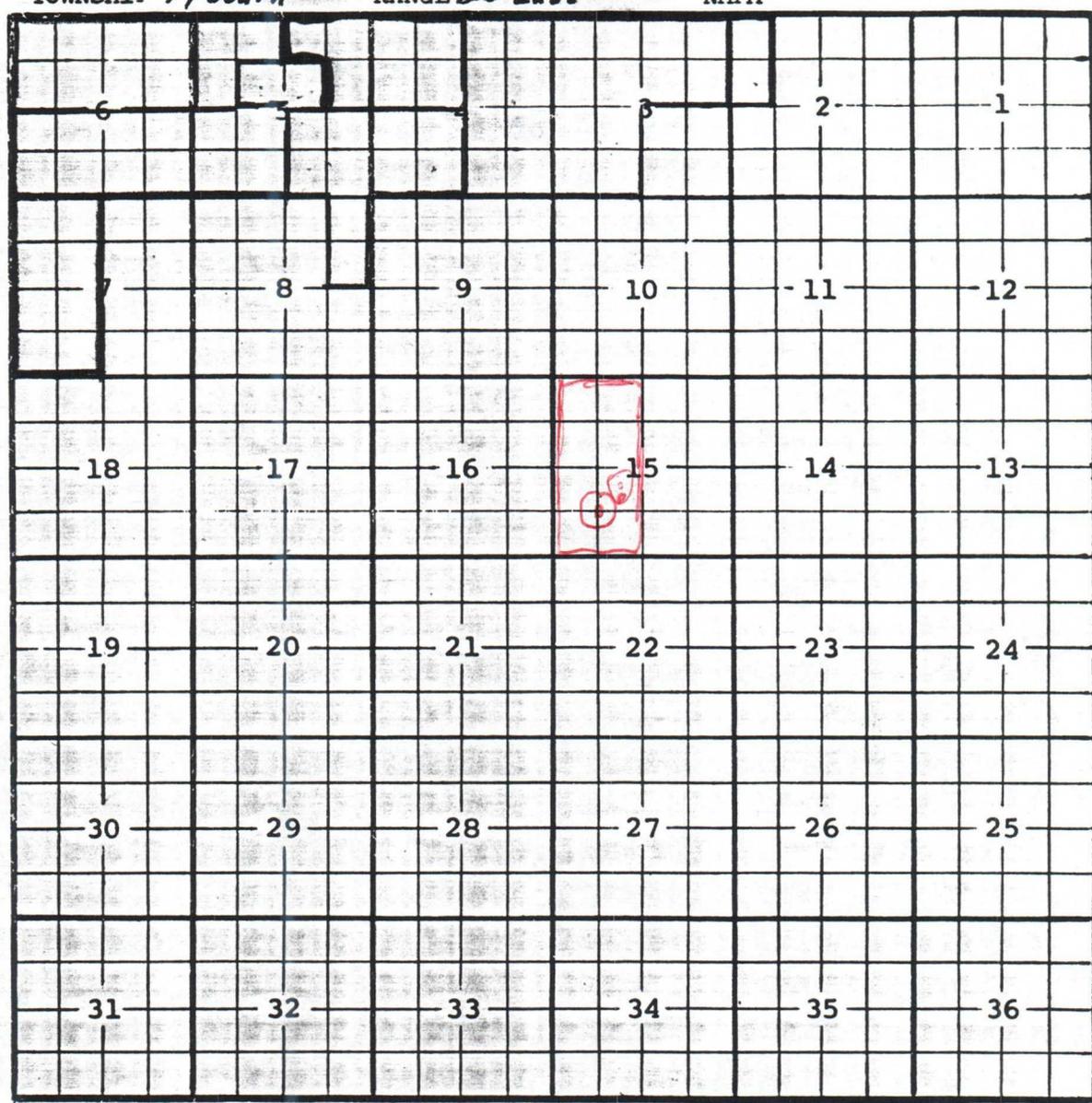
COUNTY Eddy

POOL Penasco Draw - San Andres - Veso Assoc

TOWNSHIP 19 South

RANGE 25 East

NMPM



1980
150
1830

Consolidation of Four Mile Draw - SA & Penasco - SA Pools & extension of vertical limits to include Veso formation. Vertical limits: SA below 1190' in Yates Petroleum Corporation Gerard #1, 0-75-185-75E & all Veso formation. (R-3140)

Description: $\frac{N}{2} \frac{SW}{4}$ Sec. 3; $\frac{E}{2}$ Sec. 4 (R-3140, 10-20-66)

Ext: $\frac{SW}{4}$ Sec. 4; $\frac{SE}{4}$ Sec. 5; $\frac{E}{2}$ $\frac{NE}{4}$ Sec. 6 (R-3262, 7-1-67) - $\frac{W}{2}$ $\frac{NW}{4}$ Sec. 2 (R-3342, 12-1-67)

- $\frac{SE}{4}$ $\frac{NW}{4}$ & $\frac{SW}{4}$ $\frac{NE}{4}$ Sec. 5 (R-3381, 3-1-68) - $\frac{SW}{4}$ Sec. 5; $\frac{S}{2}$ Sec. 6 (R-4437, 12-1-72)

- $\frac{W}{2}$ $\frac{NW}{4}$ & $\frac{NE}{4}$ $\frac{NW}{4}$ Sec. 5; $\frac{W}{2}$ Sec. 7 (R-4622, 9-1-73) Ext: $\frac{N}{2}$ Sec. 6 (R-6211, 12-31-79)

Ext: $\frac{NW}{4}$ sec 4, $\frac{N}{2}$ $\frac{NE}{4}$ & $\frac{SE}{4}$ $\frac{NE}{4}$ sec. 5 (R-6724, 7-16-81)