



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 30, 2007

Linda Hicks
Nearburg Producing Company
3300 North A Street
Building 2, Suite 120
Midland, TX 79705

RE: Wright Well No. 2 (API No 30-025-29999)
1200 feet from the South Line, 760 feet from the East line, Unit P
Section 12, Township 17 South, Range 37 East, NMPM, Lea County
SE/4 SE/4 (40 Acres) Section 12 Dedication

Administrative Order NSL-5556

Dear Ms. Hicks:

Reference is made to the following:

(a) your application (administrative application reference No. pTDS0703060257 for non-standard location [NSL]) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 29, 2007, on behalf of Nearburg Producing Company, OGRD 15742 ("Nearburg"); and

(b) the Division's records pertinent to Nearburg's request.

Nearburg proposes to re-complete the above referenced well at the above referenced unorthodox oil well location within Section 12 and requests to produce from the Wolfcamp within a 40-acre, more or less, spacing unit within the Undesignated Humble City-Wolfcamp Pool (33510) consisting of the SE/4 SE/4 of Section 12. The proposed completion would be the first well in this spacing unit.

The Humble City-Wolfcamp Pool is governed by statewide rule Rule 104.B, which requires oil wells to be located no closer than 330 feet from the boundary of a 40 acre spacing and proration unit. This well location is un-orthodox because it is to be located 120 feet from the northern boundary of the SE/4 SE/4 of Section 12 spacing and proration unit.

Your application states this well's location was approved with Division Order R-8486 within the South Humble City-Strawn Pool (33500) on August 5, 1987 and Nearburg now wishes to re-complete the well within the Wolfcamp formation as an oil well. The spacing and

proration unit to the north is operated by Nearburg. No other parties are affected and no parties were noticed.

Division Rule 104.F allows the Division director to grant location exceptions in order to prevent waste and protect correlative rights. Your application on behalf of Nearburg has been duly filed and notice has been provided as required under the provisions of Division Rules 104.F and 1210.A. In order to prevent waste and protect correlative rights, the above-described non-standard Wolfcamp oil well location within the Undesignated Humble City-Wolfcamp Pool is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/wvjj

cc: New Mexico Oil Conservation Division – Hobbs