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August 24, 1990

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

RECEIVED

AUG 24 1990

OIL CONSERVATION DIVISION

Re: Application of Nearburg Producing Company for Administrative Approval of an Unorthodox Location for its Western "F" No. 1 State Well, located 2130' from the North and West lines of Section 17, Township 16 South, Range 37 East, Lea County, New Mexico

Dear Mr. LeMay:

Nearburg Producing Company hereby requests administrative approval of an unorthodox well location for its Western "F" No. 1 State Well. The proposed location will be in the Pennsylvanian formation, Northwest Lovington-Pennsylvanian Pool, at a point 2130 feet from the North and West lines of Section 17, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico. This unorthodox location is necessary due to a 1000 pound LPG pipeline and a county road which cross this spacing unit. Both are shown on the plats attached to this application.

Nearburg Producing Company is the operator of the tract offsetting this spacing unit to the North. Pennzoil Exploration and Production Company operates the properties to the Northwest, West, Southwest and South of this unit and BTA Oil Producers, operates the tracts East and Northeast of this proposed spacing unit.

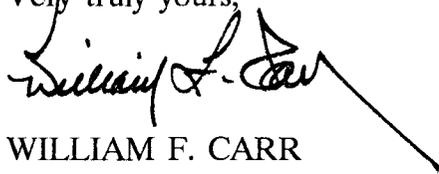
Attached to this application are letters by which both Pennzoil and BTA waive objection to this location.

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
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Also attached is a plat showing the acreage which is the subject of this application showing the dedicated acreage, and identifying the ownership of the offsetting leases and wells completed thereon.

Your consideration of this administrative application is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", with a long, thin horizontal line extending to the right from the end of the signature.

WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures:

J. T. Sexton
New Mexico Oil Conservation Division
Post Office Box 1980
Hobbs, New Mexico 88240

Mr. Mark K. Nearburg
Nearburg Producing Company
401 E. Illinois, Suite 300
Midland, Texas 79701