

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

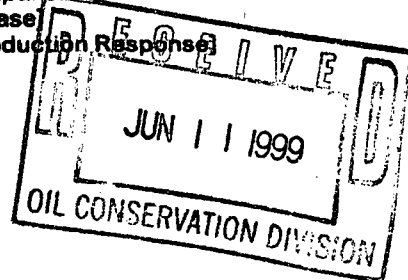
Note: Statement must be completed by an individual with supervisory capacity.

Print or Type Name

Signature

Title

Date



James Bruce Attorney for Applicant 6/11/99

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

June 11, 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 gas well location for the following well:

Crow Flats "3" Fed. Well No. 1
960 feet FSL & 760 feet FWL
S½ §3,¹ Township 16 South, Range 28 East, NMPM
Eddy County, New Mexico

The well will be drilled to test the Morrow formation (Diamond Mound-Morrow Gas Pool), and the S½ of Section 3 will be dedicated to the well. The pool is spaced on statewide rules, requiring that wells be no closer than 1650 feet to the end line of a well unit and 660 feet to the side line of a unit, and no closer than 330 feet to a quarter-quarter section line. Attached hereto as Exhibit A is a Form C-102 for the well.²

The proposed location is based on geologic reasons. Attached as Exhibit B is a gross isopach of the Upper Morrow "B" zone, the primary zone of interest. The Morrow in this area trends northwest-southeast, and moving the well west of an orthodox location will enable the well to penetrate over 20 feet of pay, which Nearburg believes is necessary for a commercial well. Thus, the proposed location minimizes the risk involved in drilling the well. Also enclosed, as Exhibit C, is a combination Morrow

¹Section 3 is an irregular section, containing approximately 860 acres.

²Nearburg Producing Company will be the operator of the well.

12202

structure/production map.

Attached as Exhibit D is a land plat of the area. The offset operators and lessees are as follows:

<u>Land</u>	<u>Operator/Lessee</u>
Lots 1, 2, 7-10, 15, 16, and S½ §4	Central Resources, Inc.
N½ and SE¼ §9	Chase Oil Corporation
N½ §10	Concho Resources, L.L.C. and Nearburg Exploration Company, L.L.C.

Notice of this application has been given to the offsets, as evidenced by Exhibit E.

This application is submitted in duplicate. Please call me if you need anything further regarding this matter.

Very truly yours,



James Bruce

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

cc: Duke Roush

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Drawer 88, Artesia, NM 88211-0718

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, N.M. 87504-2088

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Diamond Mound; Morrow
Property Code	Property Name CROW FLATS 3 FEDERAL	Well Number 1
OGRID No. 015742	Operator Name NEARBURG PRODUCING COMPANY	Elevation 3631

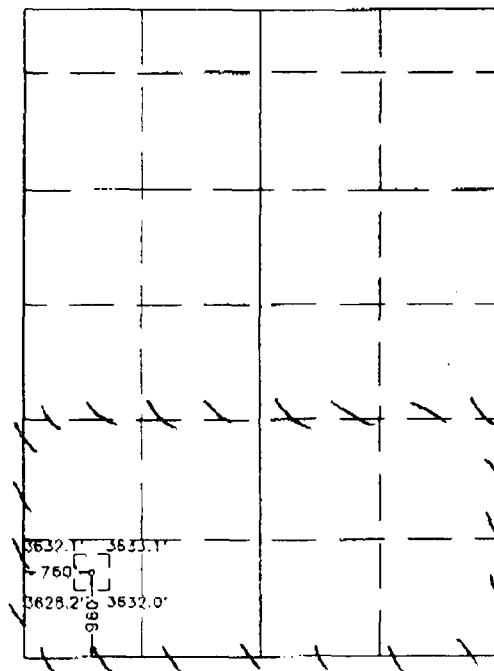
Surface Location

UL or lot No. M	Section 3	Township 16 S	Range 28 E	Lot Idn	Feet from the 960	North/South line SOUTH	Feet from the 760	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill N	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify the the information
contained herein to true and complete to the
best of my knowledge and belief.

Signature

H. R. Willis

Printed Name

Dirg. Superintendent

Title

June 7, 1999

Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown
on this plat was plotted from field notes of
actual surveys made by me or under my
supervision, and that the same is true and
correct to the best of my belief.

MAY 18, 1999

Date Surveyed

DMCC

Signature

Professional Surveyor

New Mexico

99-11-0490

99-11-0490

99-11-0490

99-11-0490

99-11-0490

99-11-0490

99-11-0490

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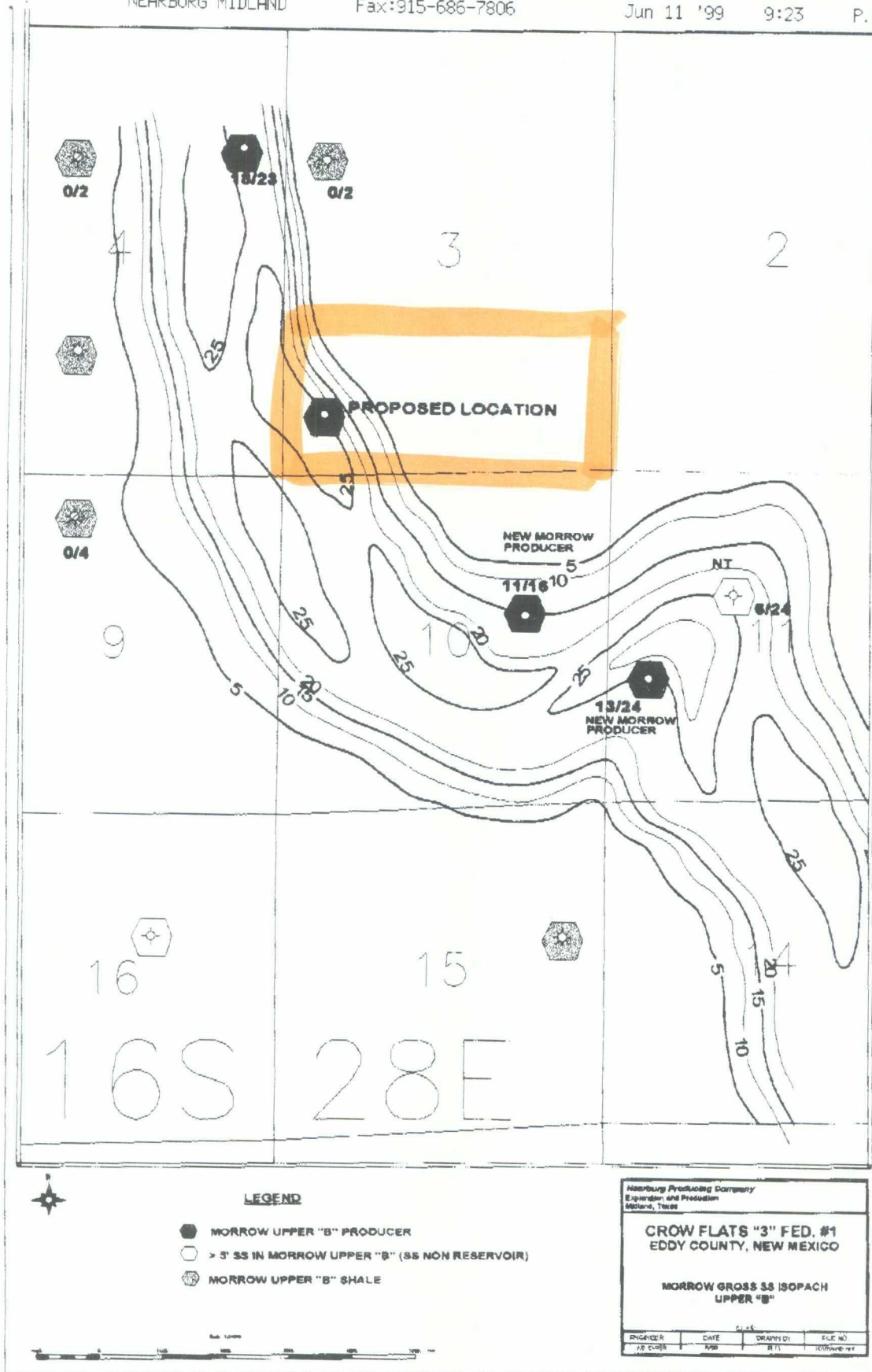
99-11-0490

99-11-0490

99-11-0490

EXHIBIT

A

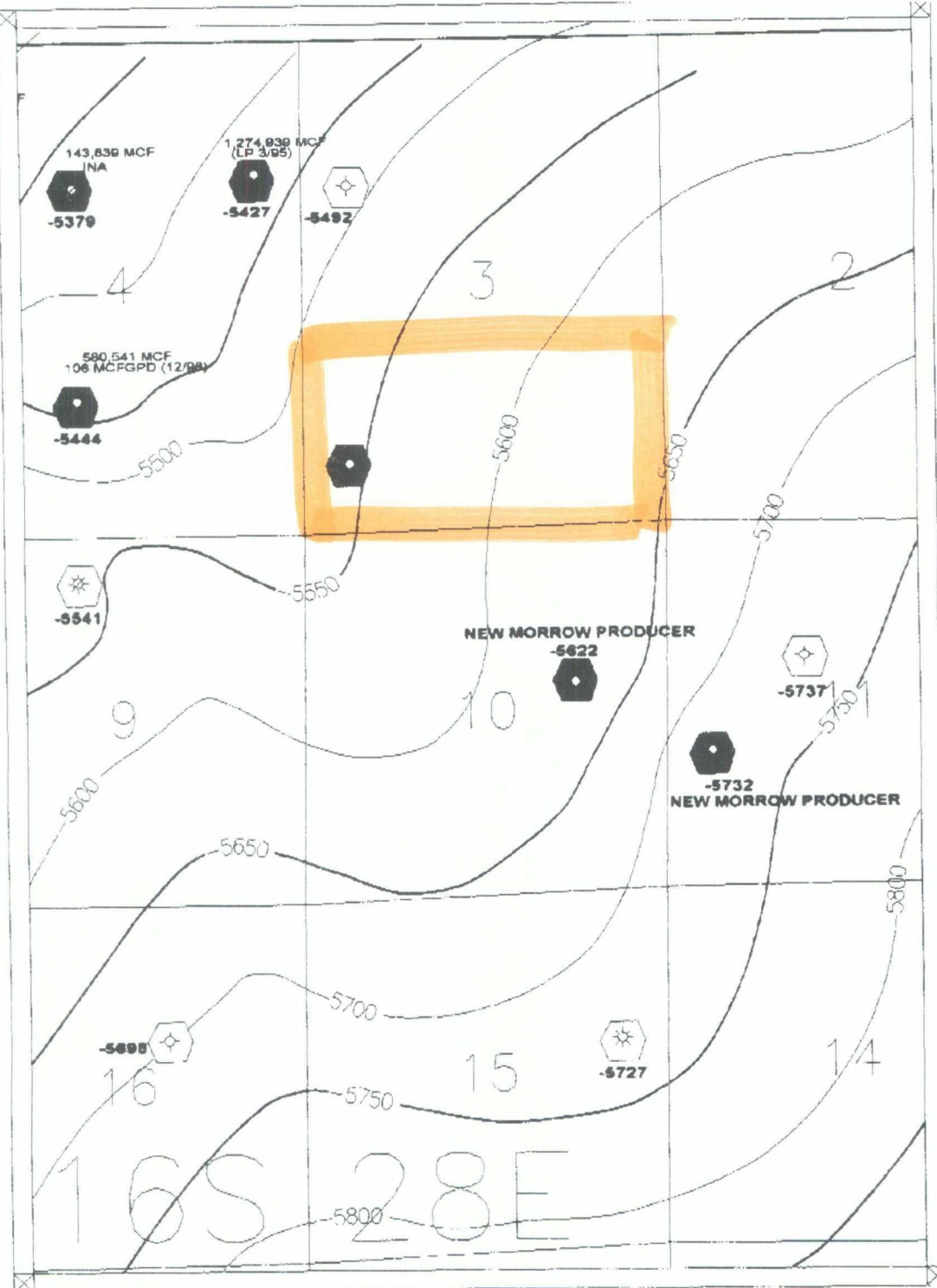


1000 0 1000 2000 3000 4000 5000 feet

ENGINEER: J. B. GER, DATE: 6/99, DRAWN BY: P. D., FILE NO: MRWCLX.GPF

EXHIBIT

B



Scale 1:24000



Nearburg Producing Company
Exploration and Production
Midland, Texas

**CROW FLATS "3" FED. #1
EDDY COUNTY, NEW MEXICO**

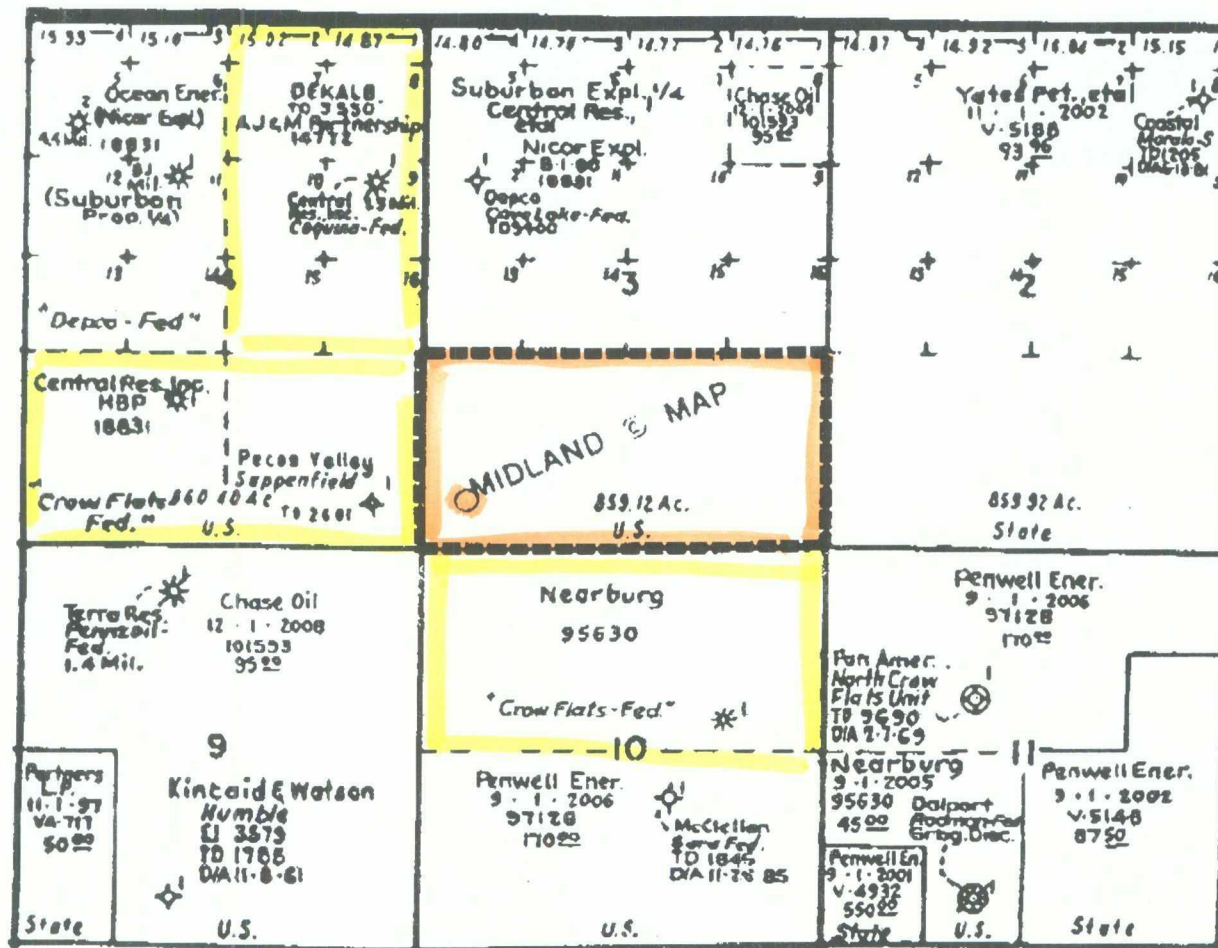
**STRUCTURE MAP
TOP MORROW CLASTICS
MORROW PRODUCTION MAP**

CI 5/97

ENGINEER	DATE	DRAWN BY	FILE NO.
J.B. ELGER	5/96	PLO	MRWCLSX.GPJ

EXHIBIT**C**

Crow Flats "3" Federal # 1
 960' FSL, 760' FWL
 Section 3, T-16-S, R-28-E
 Eddy County, New Mexico



EXHIBIT

D

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

June 11, 1999

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Central Resources, Inc.
Suite 1010
1776 Lincoln Street
Denver, Colorado 80203

Chase Oil Corporation
P.O. Box 1767
Artesia, New Mexico 88211

Concho Resources, L.L.C.
Suite 410
110 West Louisiana
Midland, Texas 79701

Ladies and Gentlemen:

Enclosed is a copy of an application for administrative approval of an unorthodox gas well location, filed with the New Mexico Oil Conservation Division by Nearburg Exploration Company, L.L.C., regarding its proposed Crow Flats "3" Fed. Well No. 1, located 960 feet from the South line and 760 feet from the West line of Section 3, Township 16 South, Range 28 East, NMPM, Eddy County, New Mexico. The well will be drilled to test the Morrow formation, and the S½ of Section 3 will be dedicated to the well. If you object to the well location, you must notify the Division in writing no later than Thursday, July 1, 1999. The Division's address is 2040 South Pacheco Street, Santa Fe, New Mexico 87505. Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce

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



JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
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June 11, 1999

Hand Delivered

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

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S½ S3,¹ Township 16 South, Range 28 East, NMPM
Eddy County, New Mexico

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The proposed location is based on geologic reasons. Attached as Exhibit B is a gross isopach of the Upper Morrow "B" zone, the primary zone of interest. The Morrow in this area trends northwest-southeast, and moving the well west of an orthodox location will enable the well to penetrate over 20 feet of pay, which Nearburg believes is necessary for a commercial well. Thus, the proposed location minimizes the risk involved in drilling the well. Also enclosed, as Exhibit C, is a combination Morrow

¹Section 3 is an irregular section, containing approximately 860 acres.

²Nearburg Producing Company will be the operator of the well.

structure/production map.

Attached as Exhibit D is a land plat of the area. The offset operators and lessees are as follows:

<u>Land</u>	<u>Operator/Lessee</u>
Lots 1, 2, 7-10, 15, 16, and S½ §4	Central Resources, Inc.
N½ and SE¼ §9	Chase Oil Corporation
N½ §10	Concho Resources, L.L.C. and Nearburg Exploration Company, L.L.C.

Notice of this application has been given to the offsets, as evidenced by Exhibit E.

This application is submitted in duplicate. Please call me if you need anything further regarding this matter.

Very truly yours,



James Bruce

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

cc: Duke Roush

DISTRICT I

P.O. Box 1000, Hobbs, NM 88241-1000

DISTRICT II

P.O. Drawer 88, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Grande Rd., Aztec, NM 87410

DISTRICT IV

P.O. Box 2000, Santa Fe, N.M. 87504-2000

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 8 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Diamond Mound; Morrow
Property Code	Property Name CROW FLATS 3 FEDERAL	Well Number 1
OGUID No. 015742	Operator Name NEARBURG PRODUCING COMPANY	Elevation 3631

Surface Location

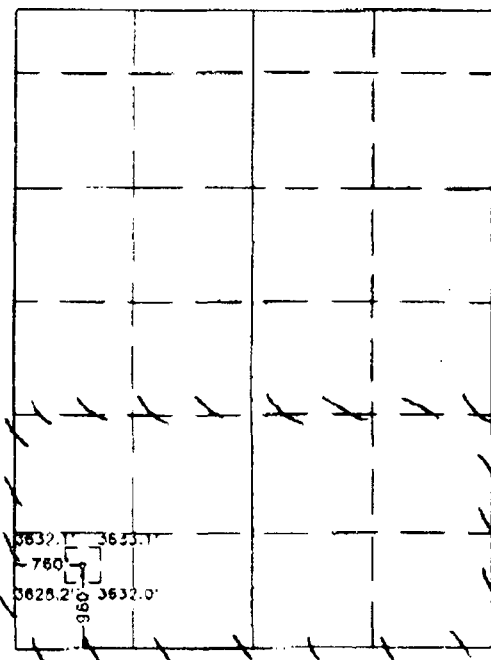
UL or lot No.	Section	Township	Range	Lot 14n	Feet from the	North/South line	Feet from the	East/West line	County
M	3	16 S	28 E		960	SOUTH	760	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot 14n	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320	Joint or Infill N	Consolidation Code	Order No.
------------------------	----------------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

H. R. Willis

Printed Name

Dir. Superintendent

Title

June 7, 1999

Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 18, 1999

Date Surveyed

DMCC

Signature

Professional Surveyor

No. 10000

State of New Mexico

Professional Seal

No. 10000

State of New Mexico

Professional Seal

No. 10000

State of New Mexico

Professional Seal

No. 10000

State of New Mexico

Professional Seal

No. 10000

State of New Mexico

Professional Seal

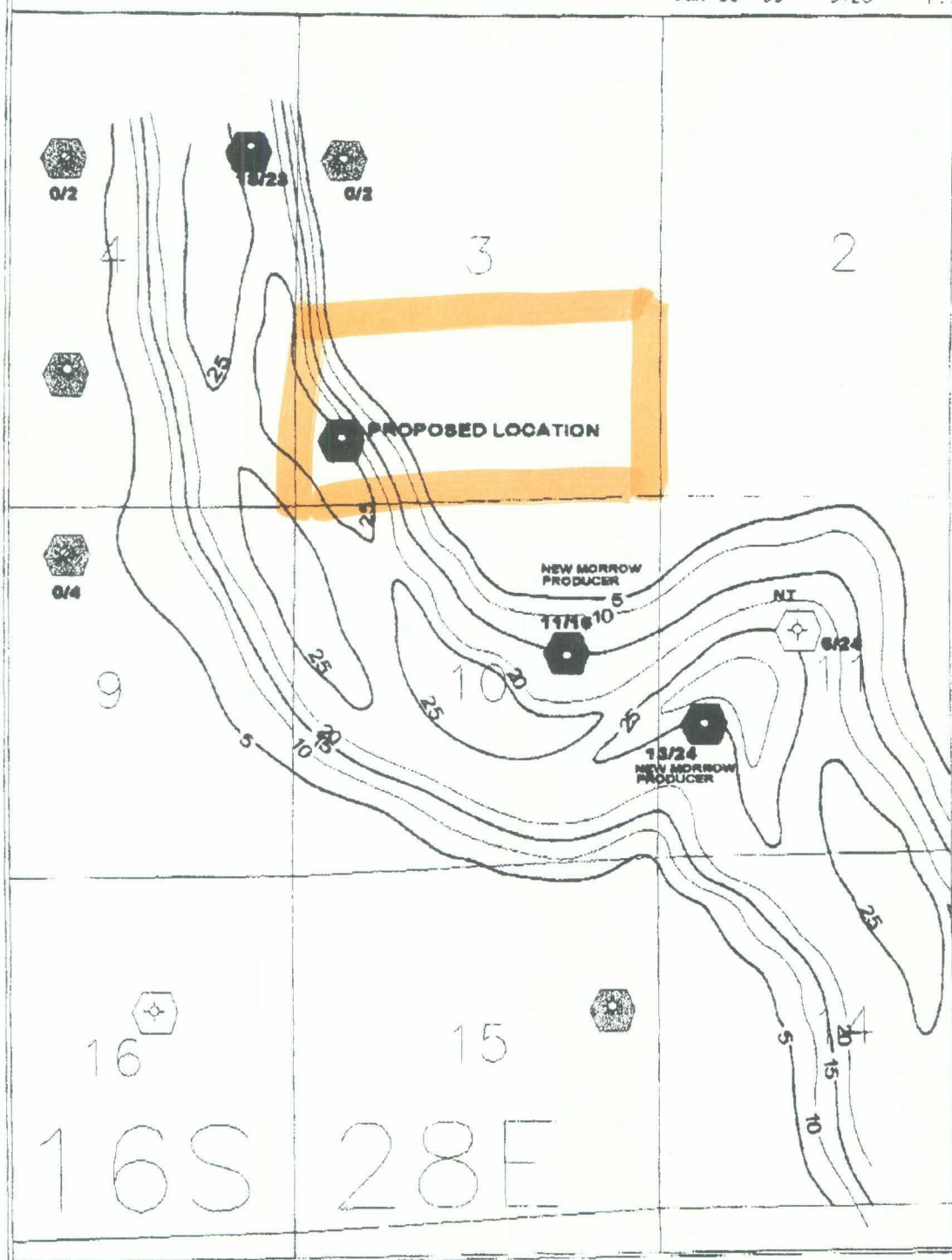
No. 10000

State of New Mexico

Professional Seal

EXHIBIT

A

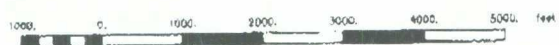


LEGEND

- MORROW UPPER "B" PRODUCER
- > 5' SS IN MORROW UPPER "B" (SS NON RESERVOIR)
- ⊗ MORROW UPPER "B" SHALE



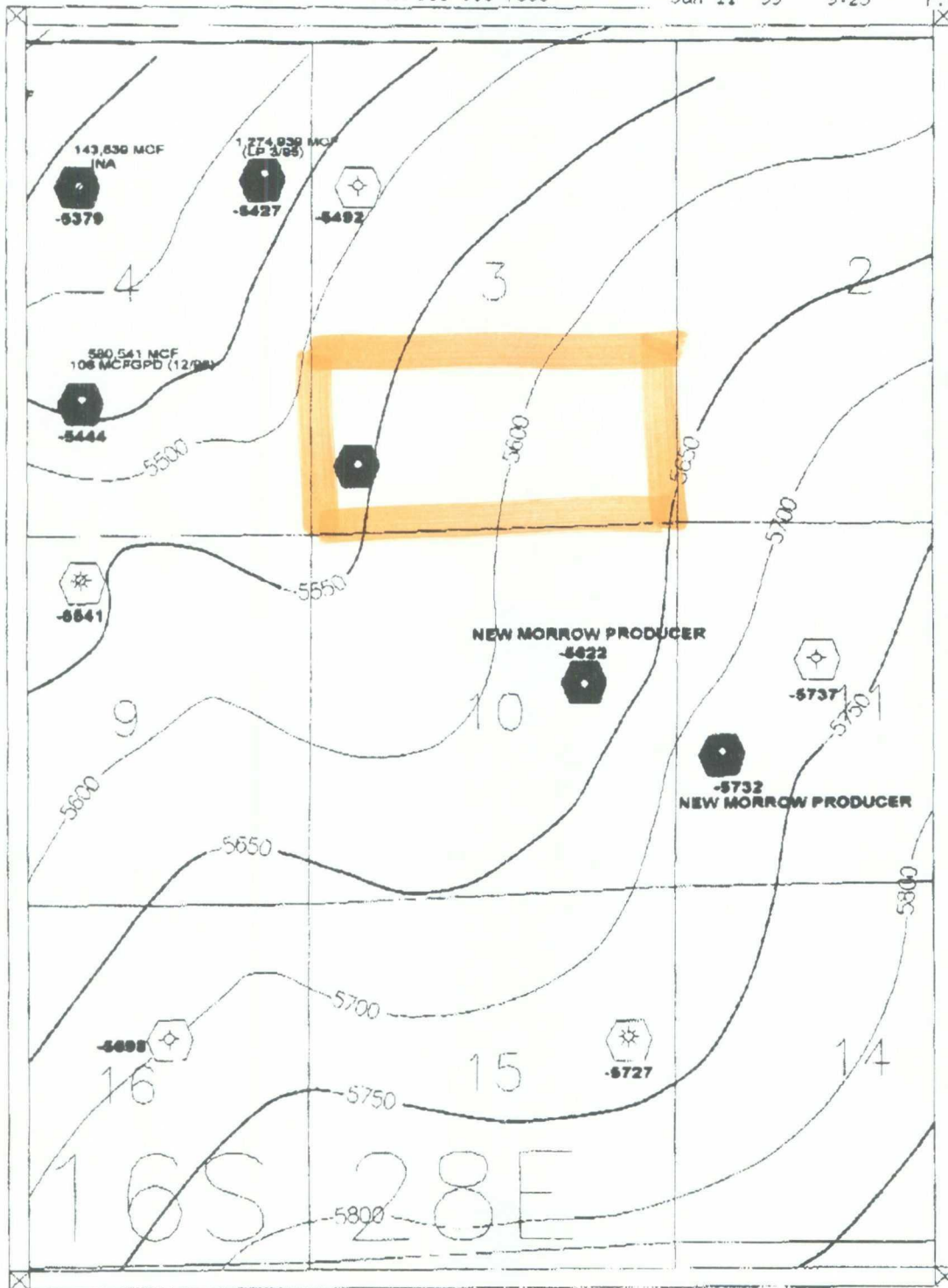
Nearburg Producing Company Expansion and Production Midland, Texas			
CROW FLATS "3" FED. #1 EDDY COUNTY, NEW MEXICO			
MORROW CROSS SS ISOPACH UPPER "B"			
Scale			
ENGINEER	DATE	DRAWN BY	FILE NO.
J.B. COLE	6/99	P.D.	16S28E-1



C.J. SM			
ENGINEER	DATE	DRAWN BY	FILE NO.
J.B. COLE	6/99	P.D.	16S28E-1

EXHIBIT

B



Nearburg Producing Company
Exploration and Production
Midland, Texas

**CROW FLATS "3" FED. #1
EDDY COUNTY, NEW MEXICO**

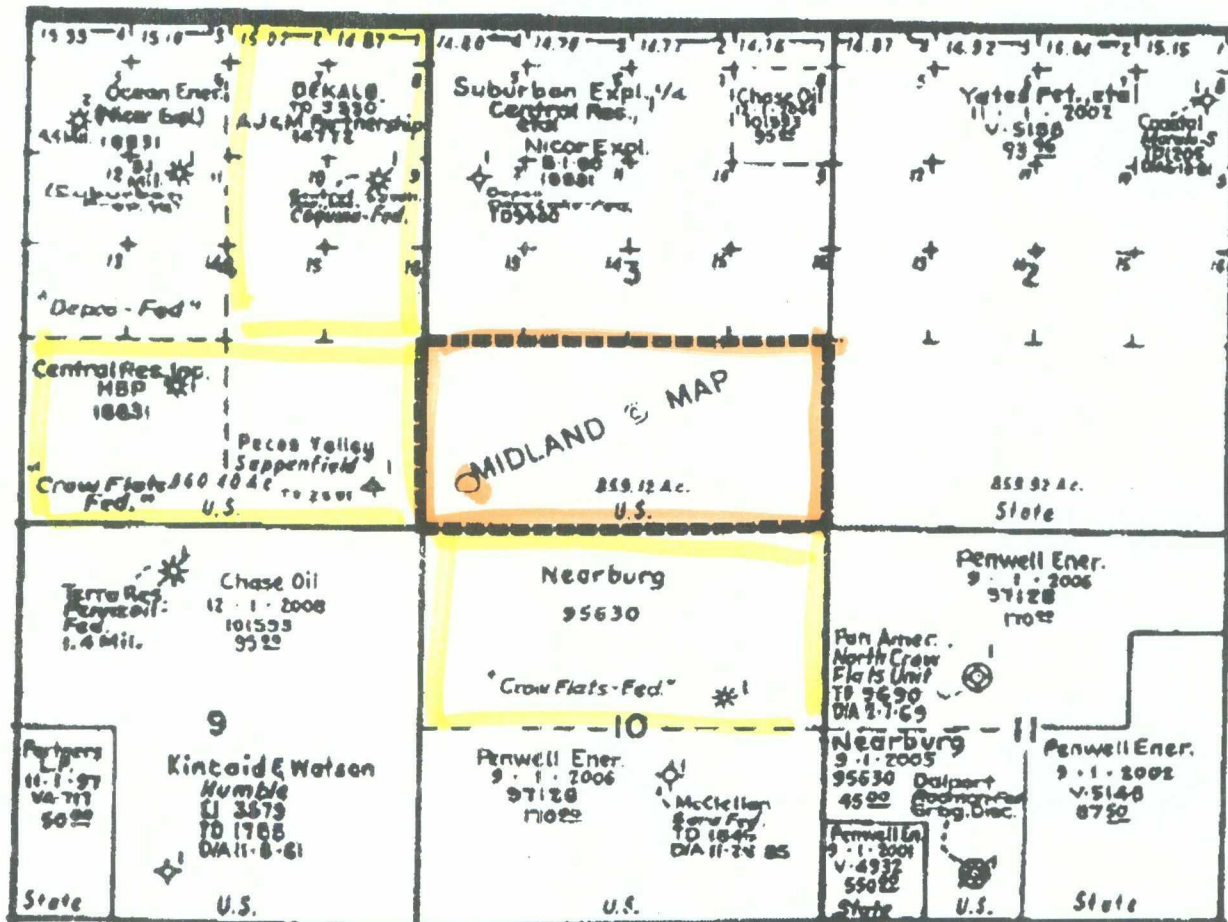
**STRUCTURE MAP
TOP MORROW CLASTICS
MORROW PRODUCTION MAP**

ENGINEER	DATE	DRAWN BY	FILE NO.
J.B. ELDER	8/80	FLD	MORROW EXCH

EXHIBIT

C

Crow Flats "3" Federal # 1
 960' FSL, 760' FWL
 Section 3, T-16-S, R-28-E
 Eddy County, New Mexico



● well Location

■ Proration Unit

■ Marron Units



JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
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June 11, 1999

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Denver, Colorado 80203

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Concho Resources, L.L.C.
Suite 410
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Very truly yours,

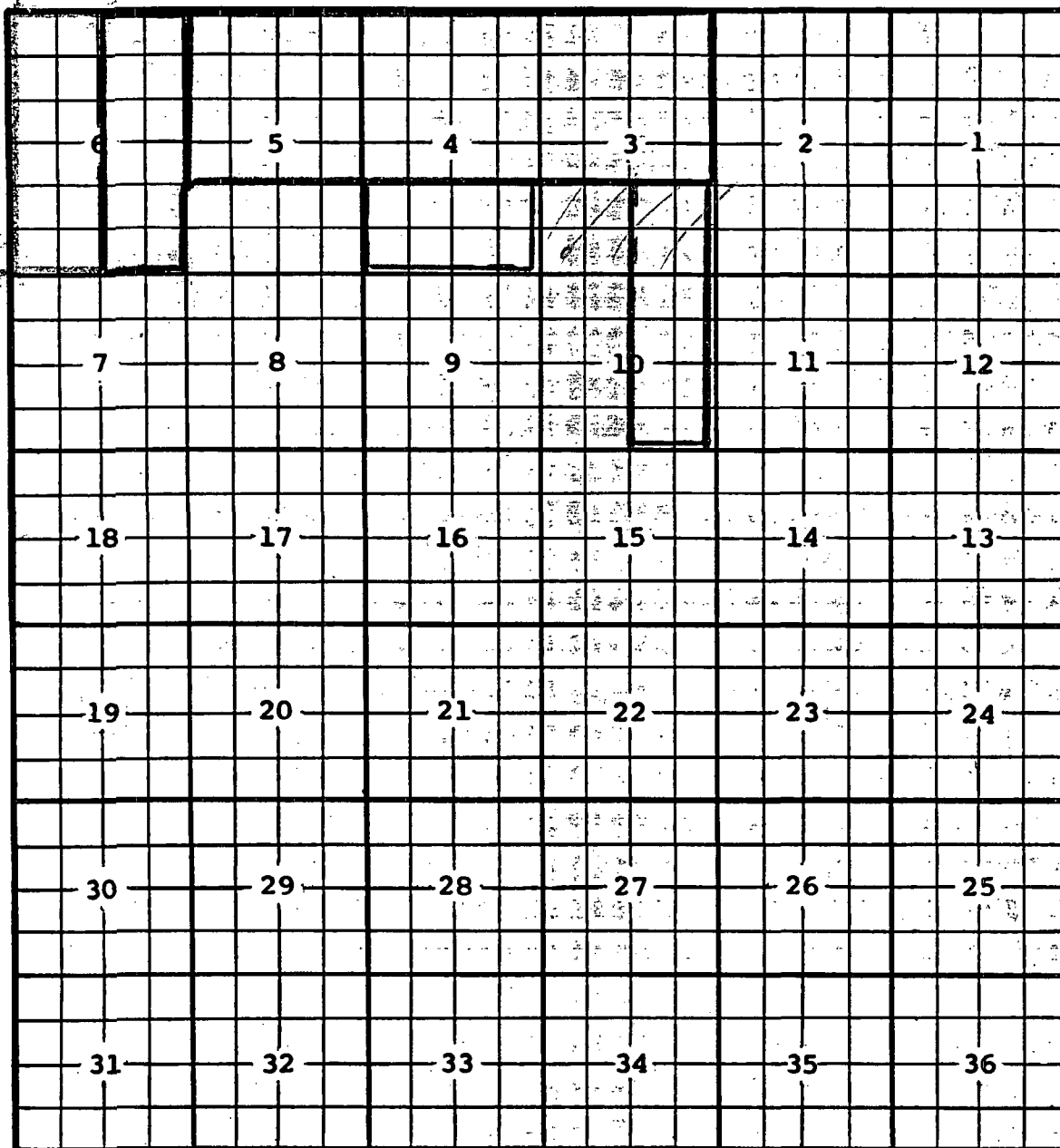

James Bruce

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



COUNTY *Eddy*POOL *Diamond Mound - Morrow Gas*TOWNSHIP *16 South*RANGE *28 East*

NMPM

Re-defined From Diamond Mound - Morrow - Atoka Gas PoolDescription: Lot 1 thru 16 sec 3, Lots 1 thru 16 sec 4, Lots 1 thru 16 sec 5,
~~17 thru 36~~ (R-8892, 3-20-89) EXT: E/2 SEC 6 (R-9174, 6-1-90)Ext: 5/2 Sec. 4 (R-9578, 9-10-91) Ext: 5/4 Sec. 3, 5/2 Sec. 10 (R-11097, 12-10-98)