

Nearburg Producing Company
Exploration and Production

facsimile transmittal

To: State of New Mexico Attn: David Catonach
From: Kim Stewart Date: 8-29-01
Re: Surface Commingling Pages: 6
Application

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply

Please let me know if you
need any further information.

Thank you.

Kim Stewart

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3300 N. "A" Street, Bldg. 2, Ste. 120, Midland, TX, 79705, USA
Tel (011) 916 686 8235 Fax (011) 916 686 7806

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	T.P.E.	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ OHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☒ OLM

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

[D] Other: Specify _____

[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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Kim Stewart
 Print or Type Name

Kim Stewart
 Signature

Regulatory Analyst
 Title

8/29/01
 Date

KStewart@necburg.com
 e-mail Address

Nearburg Producing Company

Exposition and Prod. Corp.
2101 North 4th Ave.
P.O. Box 2101
Muskogee, Texas 75604
Tel: 409/687-1111
Fax: 409/687-1111

August 15, 2001

Mr. Pete Martinez
Commissioner of Public Lands for the State of New Mexico
110 Oil Santa Fe Trail
Santa Fe, New Mexico 87504

Re: Off Lease Gas Measurement and Surface Commingling

Dear Mr. Martinez:

Nearburg Producing Company hereby requests administrative approval for Off Lease Gas Measurement and Surface Commingling of the production from the wells listed on Attachment I. The sales meter for off lease measurement and surface commingling is located in Section 13, T21S, R25E, Eddy County, New Mexico. See Attachment II showing each well location.

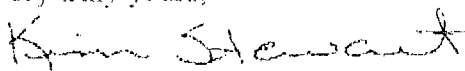
All production will be individually metered on each well with a check meter. All meters will be calibrated on a regular basis.

We recently purchased the gas sales line from Duke Energy Field Service. The gas sales meter for the three commingled wells resides at the end of the gas sales line in Section 13, T21S, R25E, Eddy County, New Mexico. We are applying for the off lease gas sales measurement and surface commingling due to the gas sales line purchase.

In accordance with Oil Conservation Division's Rule 309 C, the following Attachment IV, notification of interest owners and purchasers by Certified mail are enclosed. All required notices pursuant to Rule 309 C have been mailed to these owners and purchaser with instructions that any objection must be filed within twenty (20) days.

Thank you for your cooperation in this matter. If you have any questions please feel free to contact the undersigned.

Very truly yours,



Kim Stewart
Regulatory Analyst

Attachments

District I
PO Box 1980 Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 80210

District III
1100 Rio Grande Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-28186	Pool Code 81180	Pool Name McKittrick Hills; Morrow
Property Code	Property Name Big Walk 2 State	Well Number 3
OGRIU No. 15742	Operator Name Nearburg Producing Company	Elevation 3902'

Surface Location

UL or lot no. E	Section 2	Township 22S	Range 24E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 1980	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	Job 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. <i>E. Scott Kimbrough</i> Signature E. Scott Kimbrough Printed Name Mgr. of Drig & Prod. Title June 1, 1998 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. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

Oil and Gas
P.O. Box 1990 Hobbs, NM 88241-1990

Oil and Gas
6th Floor, 10th Avenue, NW 28110

Oil and Gas
1321 E. Broadway, Suite 100, NM 87401

Oil and Gas
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30015 25549	Pool Code 81160	Pool Name McKiltrick Hills; Upper Penn (Gas)
Property Code 018421	Property Name Shelby Federal	Well Number 3
ACD No. 016742	Operator Name Nearburg Producing Company	Elevation 3859

Surface Location

PL Section	Section	Township	Range	Lot	Feet from the	North/South line	Feet from the	East/West Line	County
K	12	22S	24E		1900	South	2150	West	Eddy

Bottom Hole Location If Different From Surface

PL Section	Section	Township	Range	Lot	Feet from the	North/South line	Feet from the	East/West Line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
0.25 AC									

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 Kim Stewart Printed Name Regulatory Analyst Title 08-16-01 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. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-79

STATE OF NEW MEXICO

OIL AND MINERALS DEPARTMENT

All distances must be from the outer boundaries of the Section.

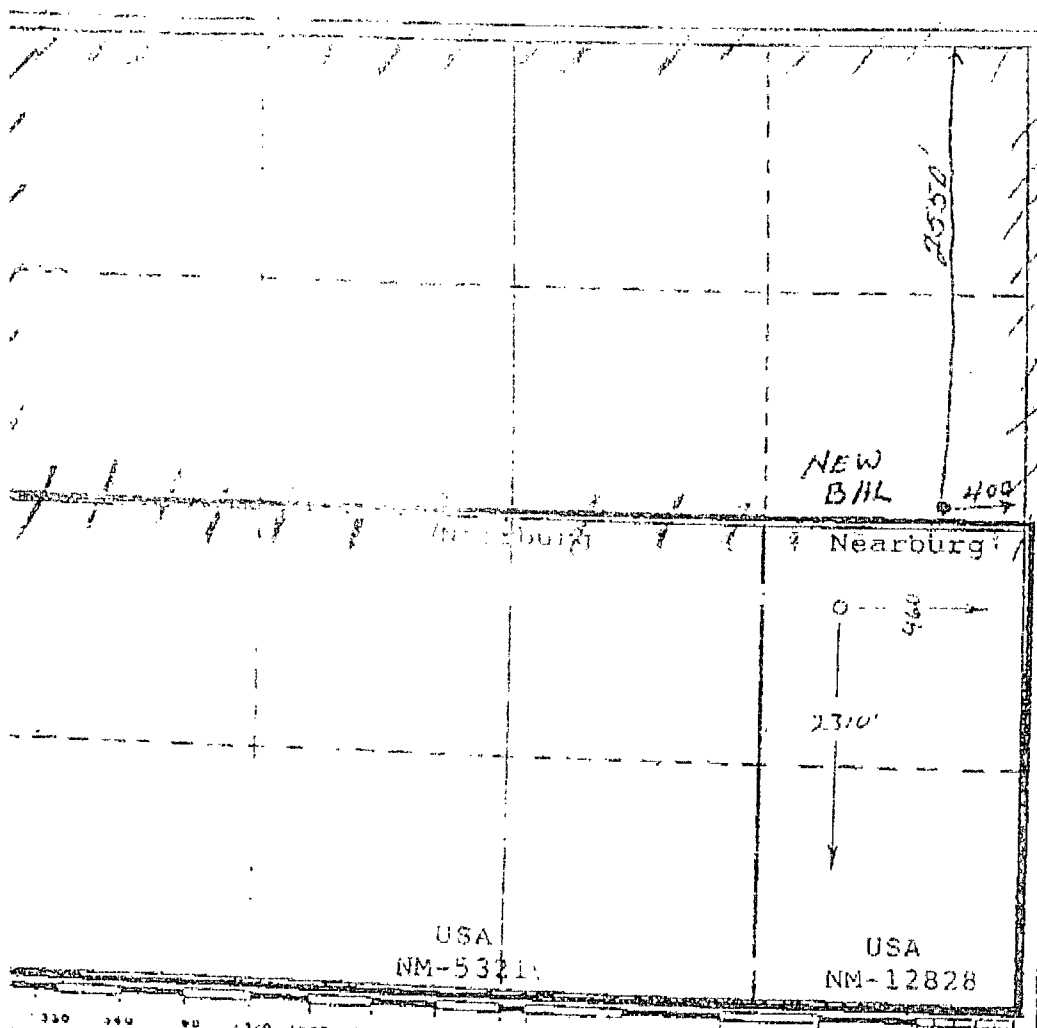
Operator NEARBURG PRODUCING COMPANY			Lease McKITTRICK FED. COM 11-I		Well No. 17
Well Letter I	Section 11	Township 22 South	Range 24 East	County Eddy	
Location of Well:					
2310		feet from the South	line and	960	feet from the East
Ground Level Elev. 4016	Producing Formation Morrow		Pool Und. Morrow	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, forced-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Common working interest. If
productive, SA will be formally communitized.

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

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

Name

James A. Knauf

Position

Agent

Company

NEARBURG PRODUCING CO.

Date

May 27, 1988

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 knowledge and belief.

SEE ORIGINAL SURVEY
(Copy Attached)

Date Surveyed

May 2, 1978

Registered Land Surveyor

Joseph W. Luchini

Certificate No.

754