

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11984
ORDER NO. R-11020

APPLICATION OF NEARBURG EXPLORATION COMPANY, L.L.C. FOR
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on July 9, 1998, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 4th day of August, 1998, the Division Director, having considered the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Nearburg Exploration Company, L.L.C., seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 23, Township 18 South, Range 24 East, NMPM, Eddy County, New Mexico, in the following manner:

(a) the S/2 to form a standard 320-acre gas spacing and proration unit for any and all pools developed on 320-acre spacing within that vertical extent, which presently include but are not necessarily limited to the Undesignated Penasco Draw-Permo Pennsylvanian Gas Pool, Undesignated Penasco-Cisco Gas Pool, Undesignated Richard Knob Atoka-Morrow Gas Pool, and Undesignated Penasco Draw-Morrow Gas Pool;

(b) the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent;

(c) the W/2 SE/4 to form a standard 80-acre oil spacing and proration unit for any pools developed on 80-acre spacing within that vertical extent; and,

(d) the SW/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent.

(3) Said units are to be dedicated to the applicant's proposed Poco Mesa "23" State Com. Well No. 1 to be drilled 660 feet from the South line and 1650 feet from the East line (Unit O) of Section 23.

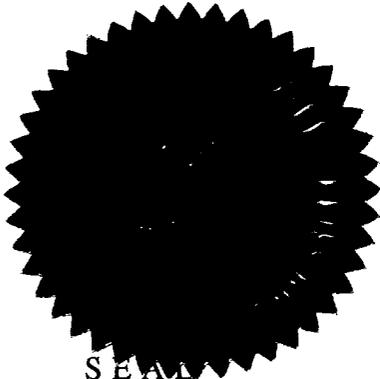
(4) Prior to the July 9, 1998 hearing, the applicant requested this matter be dismissed.

(5) Dismissal of this case should therefore be granted.

IT IS THEREFORE ORDERED THAT:

Case No. 11984 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director