



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 1, 1998

Nearburg Exploration Company, L.L.C.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Administrative Order NSL-4047

Dear Mr. Bruce:

Reference is made to your application dated May 22, 1998 on behalf of the operator, Nearburg Exploration Company, L.L.C., for an unorthodox Morrow gas well location for its proposed Crow Flats "10" Federal Com. Well No. 1 (API No. 30-015-30168) to be drilled 2310 feet from the North line and 1310 feet from the East line (Unit H) of Section 10, Township 16 South, Range 28 East, NMPM, Undesignated Diamond Mound-Morrow Gas Pool, Eddy County, New Mexico.


The E/2 of said Section 10 being a standard 320-acre gas spacing and proration unit for said pool is to be dedicated to said well.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Morrow formation than a well drilled at a location considered to be standard.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,


Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad