

21.

**CASE #14656:** (Continued from the September 29, 2011 Examiner Hearing.)

**Amended Application of Nearburg Producing Company for Designation of a Non-standard Spacing Unit, an Unorthodox Surface Location, Compulsory Pooling, and Cancellation of APD's Issued to Nadel and Gussman Permian, LLC, Eddy County, New Mexico.** Applicant seeks an order consolidating the 40-acre spacing units within the S/2 N/2 of Section 7, Township 19 South Range 26 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit for a well location in the Glorieta-Yeso formation for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Glorieta-Yeso formation underlying the S/2 N/2 of said Section 7 to be dedicated to its Glass "7" E-H No. 1-H Well to be drilled horizontally from an unorthodox surface location 2,080' from the North line and 100' from the East line of Section 12, Township 19 South, Range 25 East to a bottom hole location 2,080' from the North line and 330' from the East line of Section 7, in Township 19 South, Range 26 East, to a depth sufficient to test the Glorieta-Yeso formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as operator and a charge for risk involved in drilling the well. Applicant also seeks the cancellation of two APD's held by Nadel and Gussman Permian LLC for wells and non-standard units proposed for the E/2 W/2 and the E/2 E/2 of Section 7. The proposed well and lands are located approximately 4 miles northwest of Lakewood, New Mexico.