

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF NEARBURG PRODUCING COMPANY FOR
AN UNORTHODOX GAS WELL LOCATION
LEA COUNTY, NEW MEXICO.

RECEIVED

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Oil Conservation Division CASE NO. 11393

APPLICATION

NEARBURG PRODUCING COMPANY ("Nearburg"), through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order approving an unorthodox well location, and in support of this application states:

1. Applicant is the operator of the southern 320-acres of Section 1, Township 21 South, Range 32 East, N.M.P.M., Lea County, New Mexico, which due to survey variations is an irregular section, and proposes to drill its Minis "1" Federal No. 2 Well in the Morrow formation, Hat-Morrow Gas Pool, at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line of said Section 1.

2. Applicant seeks an exception to the Division's well location requirements to permit the drilling of said well in the Morrow formation at the above-described location.

3. A standard 320-acre spacing and proration unit comprised of the southern most 320-acres of said Section 1 should be dedicated to the well.

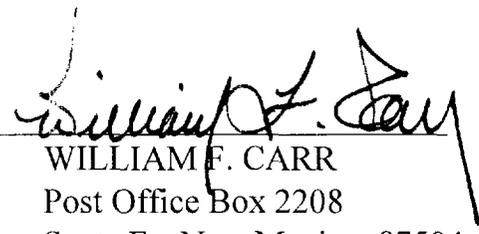
4. Approval of this application will afford Nearburg the opportunity to produce its just and equitable share of the gas in the Morrow formation and will otherwise be in the

best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Nearburg Producing Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 5, 1995, that notice be given as required by law and the rules of the Division, and that the Division enter its Order granting this application and providing such other relief as is proper.

Respectfully submitted,

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