

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANNIS L. FOX  
TANYA M. TRUJILLO  
PAUL R. OWEN

JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

April 23, 1996

**HAND-DELIVERED**

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

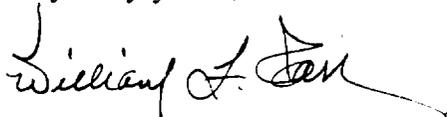
11535

Re: Minis "1" Federal Com Well No. 3  
Application of Nearburg Exploration Company for an Unorthodox Well  
Location, Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Nearburg Exploration Company, please find enclosed our Application for an unorthodox gas well location for its proposed Minis "1" Federal Com Well No. 3 which we request be set for hearing on the next available Examiner docket now scheduled for May 16, 1996. Also enclosed is our proposed notice for the advertisement.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosure

cc: Mr. Bob Shelton (w/enclosures)

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

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

CASE: 11535

**APPLICATION**

Comes now NEARBURG PRODUCING COMPANY ("Nearburg"), by and through its attorneys, CAMPBELL CARR & BERGE, P.A., and applies to the New Mexico Oil Conservation Division for approval to drill its Minis "1" Federal Com Well No. 3 at an unorthodox gas well location 3300 feet from the South line and 1310 feet from the West line of Irregular Section 1, Township 21 South, Range 32 East, NMPM, to be dedicated to a standard 317.66-acre gas spacing unit consisting of the lots 3, 4, 5, 6, 11, 12, 13, 14 of said Irregular Section 1 and to be dedicated to any and all production therein including but not necessarily limited to the Hat Mesa-Morrow Gas Pool.

In support thereof, Applicant states:

1. Nearburg has the right to drill and test for gas production in Lots 3, 4, 5, 6, 11, 12, 13 and 14 of Irregular Section 1, T21S, R32E, NMPM, Lea County, New Mexico.
2. Nearburg proposes to drill a well at an unorthodox gas well location in Lots 3, 4, 5, 6, 11, 12, 13 and 14 of said Irregular Section 1 to test for Morrow production.

Nearburg Producing Company's  
OCD Application  
Page 3

**EXHIBIT "A"**  
**NOTICE LIST**

Phillips Petroleum Company  
4001 Penbrook  
Odessa Texas 79762  
Attn: James S. Welin

3. This proposed gas well will be located within the current boundaries of the Hat Mesa-Morrow Gas Pool.

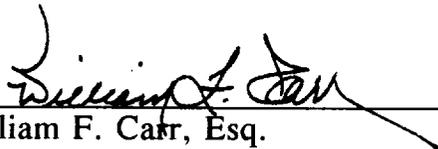
4. Nearburg proposed Minis "1" Federal Com Well No. 3 will be drilled at unorthodox location 3300 feet from the South line and 1310 feet from the West line of said Section 1 because of geologic reasons in to attempt to recover any remaining recoverable gas reserves underlying this gas spacing unit and thereby protect correlative rights and preventing waste.

5. Approval of the application will afford the applicant the opportunity to produce its just and equitable share of the remaining gas underlying this unit, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

6. Notification of this application has been sent to the offsetting operators and/or interested parties as required by Division rules and as identified on Exhibit "A" attached.

WHEREFORE, Applicant requests that, after notice and hearing, this Application be approved as requested.

CAMPBELL, CARR & BERGE

BY   
William F. Carr, Esq.  
P. O. Box 2208  
Santa Fe, New Mexico 87504  
(505) 982-4285

April 23, 1996

TO: ALL INTERESTED PARTIES ENTITLED TO NOTICE  
OF THE HEARING OF THE FOLLOWING NEW MEXICO  
OIL CONSERVATION DIVISION CASE:

*Re: NMOCD Case pending  
Minis "1" Federal Com Well No. 3  
Application of Nearburg Producing Company  
for an Unorthodox Gas Well Location,  
Lea County, New Mexico*

On behalf of Nearburg Producing Company, please find enclosed our application for an unorthodox gas well location for its Minis "1" Com Well No. 3 which has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for May 16, 1996. The hearing will be held at the Division hearing room located at 2040 South Pacheco, Santa Fe, New Mexico.

As an offset operator and/or owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Memorandum 2-90, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, May 10, 1996, with a copy delivered to the undersigned.

Very truly yours,

William F. Carr

Proposed notification/advertisement for OCD docket

Case 11535: Application of Nearburg Exploration Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its proposed Minis "1" Federal Com Well No. 3 at an unorthodox gas well location 3300 feet from the South line and 1310 feet from the West line of Irregular Section 1, Township 21 South, Range 32 East, NMPM, to be dedicated to a standard 317.66-acre spacing unit consisting of Lots 3, 4, 5, 6, 11, 12, 13, and 14 of said Irregular Section 1 and to be dedicated to any and all production therein including but not necessarily limited to the Hat Mesa-Morrow Gas Pool. Said unit is located approximately 6 miles southeast from the intersection of Highway 176 and US Highway 180, New Mexico.