

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. 11649
ORDER NO. R-10913

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 18, 1997 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 5th day of November, 1997, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(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 26, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico, and in the following manner:

(a) the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Boyd-Strawn Gas Pool, Undesignated North Cemetery-Atoka Gas Pool, Undesignated Boyd-Morrow Gas Pool, Undesignated North Cemetery-Atoka Gas Pool, and Undesignated Cemetery-Morrow Gas Pool;

(b) the NE/4 to form a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, of which presently includes but is not necessarily limited to the Undesignated North Dagger Draw-Upper Pennsylvanian Pool;

(c) the N/2 NE/4 to form a standard 80-acre oil spacing and proration unit for any and all pools developed on 80-acre spacing within said vertical extent, which currently there are none; and,

(d) the NW/4 NE/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 said vertical extent which presently includes but is not necessarily limited to the Undesignated Seven Rivers-Yeso Pool.

(3) Said units are to be dedicated to its proposed Morris "26-B" Well No. 1 to be drilled at a location that is considered to be "standard" for all four of the above-described unit sizes 660 feet from the North line and 1650 feet from the East line (Unit B) of said Section 26.

(4) The subject application was filed with the Division on October 15, 1996 and first appeared on the Division's November 7, 1996 hearing docket. Subsequently, it had been continued 12 times without the presentation of evidence.

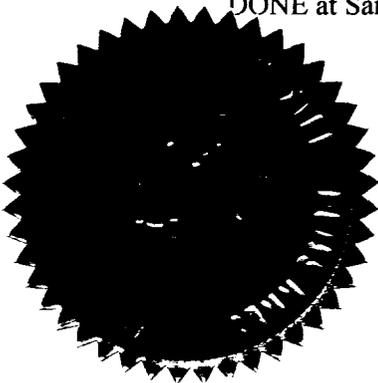
(5) With the elapsed time from Nearburg's initial application until now being somewhat excessive, factors influencing this matter may have changed since the original filing date.

(6) This application should therefore be dismissed.

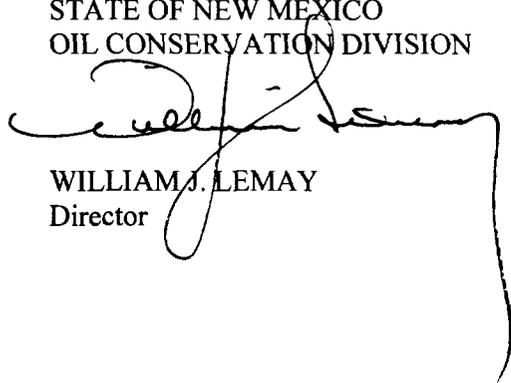
IT IS THEREFORE ORDERED THAT:

Case No. 11649 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director