

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 COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 11788

APPLICATION

NEARBURG PRODUCING COMPANY, ("Nearburg"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all mineral interests in all formations developed on 320-acre spacing in the N/2, in all formations developed on 160-acre spacing in the NE/4, in all formations developed on 80-acre spacing under the N/2 NE/4, and in all formations developed on 40-acre spacing under the NW/4 NE/4 of Section 13. Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Nearburg is a working interest owner in the N/2 of Section 13 and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Stetson "13" Federal Well No. 1 to be drilled to a standard location 660 feet from the North line and 1650 feet from the East line of said Section 13, to a depth sufficient to test any and all formations to the base of the Morrow formation.
3. Applicant has sought and been unable to obtain either voluntary agreement for

pooling or farmout from certain interest owners in the subject spacing units identified on Exhibit A to this application.

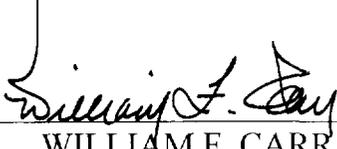
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Nearburg Producing Company, should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before an Examiner of the Oil Conservation Division on May 29, 1997 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well.

Respectfully submitted,

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& SHERIDAN, P.A.

By: 

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ATTORNEYS FOR NEARBURG
PRODUCING COMPANY

**EXHIBIT A
NOTIFICATION LIST
APPLICATION OF NEARBURG PRODUCING COMPANY,
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

**SECTION 13, TOWNSHIP 19 SOUTH, RANGE 33 EAST,
N.M.P.M.**

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