Other ____

NEAKBURG PRUD C

Ø 002 BEFORE EXAMINER CATANACH **OIL CONSERVATION DIVISION**

NEARBURG PRODUCING COMPANY

_____ EXHIBIT NO. ____

AUTHORITY FOR EXPENDITURE CASE NO. 9570 WELL NO.: 1 PROPOSED TOTAL DEPTH: 12,1001 LEASE: Price 1 LOCATION: Section 1-11/S-R37E DESCRIPTION OF WORK: Drill and complete as a flowing Strawn oil producer. DATE PREPARED: 12/14/88 EST. SPUD DATE: 1/15/89 EST. COMPLETION DATE: 3/15/88 TOTAL TO CASING POINT COMPLETION WELL INTANGIBLE COSTS: \$ ---Drilling: Footage - 12,100' @ \$12.00/ft. \$145,200 Daywork - 4 days @ \$3900/day 11,700 \$145,200 3,900 15,600 Other - Mud Cleaner 3,500 3,500 Mud & Chemicals 18,000 18,000 Brine & Water 2,500 15,000 17,500 Conductor Cement: Surface 3,850 3,850 ___ Intermediate 12,400 12,400 8,500 Oil String 8,500 8,000 (8,000) Location: Road Pad & Cleanup + Pits 10,000 3,000 13,000 Survey Damages 750 750 10,000 ---10,000 25,000 25,000 7,500 ---7,500 Coring & Analysis Comp. Unit, Swabbing 5 days @ \$1150/day _ 5,750 Perforating 5,000 2,500 5,000 Treating, Acidizing, Fracturing ---2,500 Supervision 7,500 12,500 5,000 Other - Mud Logger 6,500 6,500 Hauling: Equipment ____ 5,000 2,000 7,000 3,000 5,000 8,000 Equipment: Test Tanks, Etc. 2,000 2,000 4.000 Csg Crew, Sandblast, Ruffcoat, Insp 200 10,445 10,645 Supplies - Labor 2,500 15,000 17,500 insurance 1,000 500 1,500 Expense Reports & Overhead 7,500 3,000 10,500 Subtotal 308,100 64,095 372,195 Contingencies - 10% 30,810 6,410 37,220 ESTIMATED TOTAL INTANGIBLES 338,910 70,505 409,415 Casing: Conductor --- ' of --- " @ \$ --- /ft Surface 450' of 13-3/8" @ \$12.40/ft ---5,580 5,580 Intermed. 4,750' of 8-5/8" @ \$10.50/ft |
Production 12,100' of 5-1/2" @ \$ 8.22/ft |
Tubing 11,700' of 2-3/8" @ \$ 3.00/ft |
Rods --- of --- " @ \$ --- /rod 49,875 49,875 99,450 99.450 35,100 35,100 10,100 11,600 Wellheads & Misc. Fittings 1,500 Pumping Unit, Motor & Subsurface Equip. Tank Battery: Tanks 10,000 10,000 Treater or Separator 7,500 7,500 5,000 Fittings 5.000 Flowlines & Gas Meter ___ 5.000 5,000 Electrical Hookup ---5,000

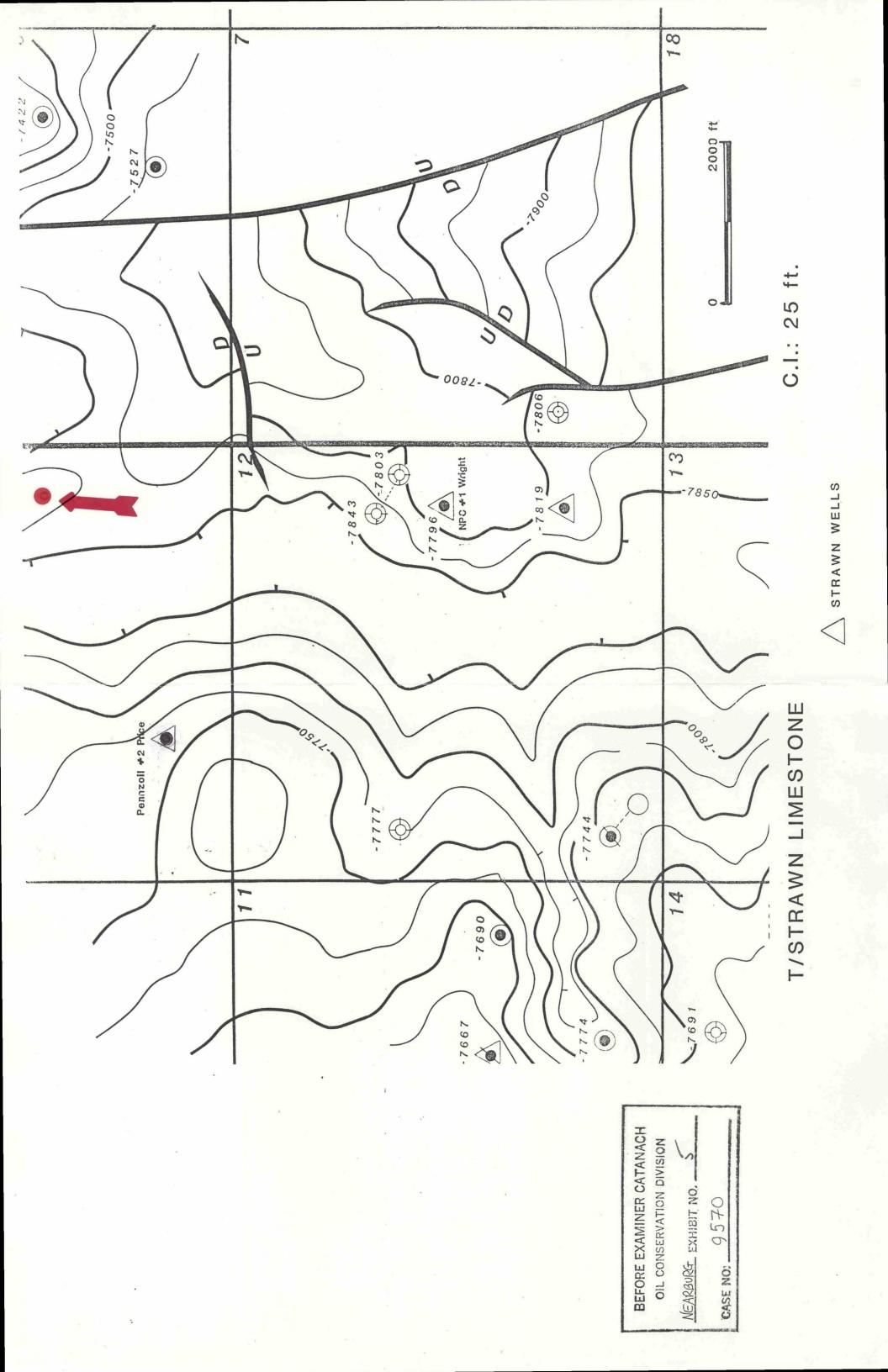
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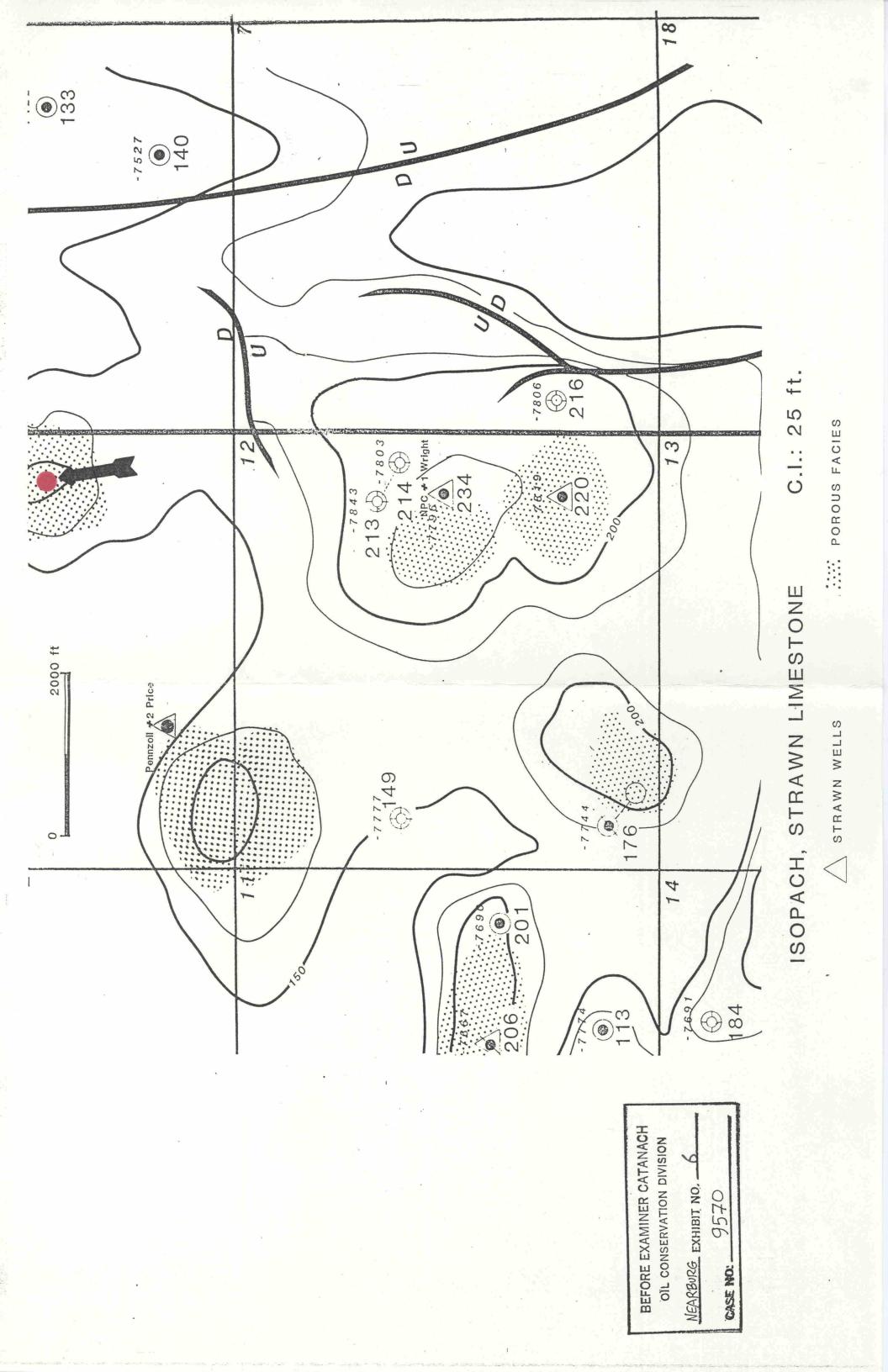
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BEFORE THE

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 AND AN UNORTHODOX OIL WELL LOCATION, LEA COUNTY, NEW MEXICO.

CASE NO. 9570

AFFIDAVIT

STATE OF NEW MEXICO)
)ss
COUNTY OF SANTA FE)

J. SCOTT HALL, attorney in fact and authorized representative of Nearburg Producing Company, the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice has been given at the correct addresses provided by such rule.

J. SCOTT HALL

SUBSCRIBED AND SWORN to before me this 3rd day of January, 1989.

Notary Public

My Commission Expires:

August 19, 1991

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

Nearburg EXHIBIT NO.

CASE NO. 9570

EXHIBIT "A"

Harrison Levy 4801 Clossen Blvd. Oklahoma City, OK 73118

Lloyd G. Fowler 3426 East Hawthorne St. Tucson, Ariz. 87500

Lillian Smalley Henning 1758 N. Santa Ana Avenue Costa Mesa, Calif. 92626

Audrey Wilson 4771 Crosby Street Garden Grove, Calif. 92641

Earl H. Beitler 12771 Lemonwood Lane Garden Grove, Calif. 92640

John Clay 9469 Grossmont La Mesa, CA 92041

Lawrence J. Clay 9469 Grossmont La Mesa, CA 92041

Rosalind Gray 9469 Grossmont La Mesa, CA 92041

Catherine Crawford P. O. Box 336 Sunapel, N.H. 03782

Dr. E. M. Josephson 230 E. 61st Street New York, N.Y. 10021

Charles Curren 1214 20th Street Longview, WA 98623

R. L. Ray, Ltd. P. O. Box 680 Tyler, TX 75710

Bob Bright 2631 Old Bullard Road Tyler, TX 75703 John D. Bright 617 Top Hill Tyler, TX 75703

Cy Nickerson 2130½ 9th Street Greeley, CO 80631

Caroline Rice 841 W. Sunnyside, Apt. 2N Chicago, IL 60640

Edna F. Marcum Parkside Village #K-4 3602 Stephens Ave. Missoula, MO 59801

Hazel Myers P. O. Box 3 Ft. Morgan, CO 80701

Clarence Jenson 3832 Valley Omaha, Neb. 68105

Patricia E. Anderson 204 South Division "W" Audobon, Iowa 50025

Clemco Limited 120 S. College Tyler, TX 75702

Jessie Wagner 512 15th Ave. Court Greeley, CO 80631

Roy McCollister 1314 Ninth Street Lubbock, TX

Carolyn S. Clay 9469 Grossmont Boulevard La Mesa, CA 92041

Dale Authur Clay P. O. Box 1406 Missoula, Montana 59801 Merritt Gneiser 6215 W. Jefferson Place Denver, CO 80226

Bruce W. Crawford 642 B Hamilton Ave. Palo Alto, CA 94301

Will Knight 2103 Belmead Tyler, TX 75701

Pearl F. Carrol E. Star Rt. Box 205A Portales, N.M. 88130

Joe Francis 3050 W. Arizona Ave. Denver, CO 80219

Orin Francis 10659 Ogdon St. Denver, Colo. 80233

Murldean E. Austin 4300 Montclair Independence, MO 6405

Lena Ann Blake 516 S. Macond El Reno, OK 73036

Thelma Mullen R.F.D. Nassau, New York 12123

Doris Jean Underwood P. O. Box 264 Rush Springs, OK 73082

Beverly Nelson 2534 S. Evanston Tulsa, OK 74114

J. Kenneth Fesken 1535 S. Gilette Tulsa, OK 74104

Susan Lan Griffith 125 Riverside Dr. Greenwood, Miss. 38430 Elmer H. Wahl 3454 Potomac Ave. Dallas, Texas 75205

Harriett Sperry 2209 "M" St. Omaha, Neb. 68107

Elaine Woodward 2209 "M" St. Omaha, Neb. 68107

Lonean Mattox 2858 4th Ave. Council Bluffs, Iowa 5150

Robert L. Troth 926 Jane Place Pasadena, Calif. 91105

Joseph Nelson 3454 Potomoc Dallas, TX 75205

Veva or Viva Nelson 2412 Argosy Way Hollywood, CA 90028

Gladys Penberton Shepard Shepard Farms Greenville, New York 10583

John H. Bates P. O. Box 234 Los Molinos, Calif. 9605

Harry Bates 1851 Teller Lakewood, Colo. 8021

Nina Bates 2209 "M" St. Omaha, Nebraska 68107

Helen Vance Hespel 2166 Missouri St. San Diego, Calif. 921

Wallace Vance 2581 Ohio St., #B South Gate, Calif. 90280 Wayne Vance P. O. Box 729 Crestline, Calif. 9232

Dean Beitler 484 Ave. Del Recreo Ojai, Calif. 93023

Dorothy Francis 2847 Fillmore, Apt. 4 San Francisco, Calif. 94

Nellie M. Fuller Haven 2619 Orange Ave. Costa Mesa, Calif. 92601

Earl F. Fowler 2000 Clay St. New Port, Calif. 92660

Sherrill Lee Woodie 6281 Bishop St. Cypress, Calif. 90630

Stanley Beitler 11072 Jerry Lane Garden Grove, Calif. 92

Ray Bates 2321 King Ave. Haltom City, Texas 76116

Shirley S. Sawyer 3865 Westwood Drive Riverside, Calif. 92501

Amax Petroleum Corp. 507 Enterprise Bldg. Tulsa, Oklahoma 74101

Minnie Beitler 5623 Los Palos Circle Bueno Park, Calif. 90620

Earl Leroy Beitler 5623 Los Palos Circle Bueno Park, Calif. 90620

Russell George Beitler 5623 Los Palos Circle Bueno Park, Calif. 90620 Charles Evan Beitler 5623 Los Palos Circle Bueno Park, Calif. 90620

Clifford Bates 418 S. 18th St. Council Bluffs, Iowa 51501

Francis Smith 27722 Barcelona Ave. Hayward, Calif. 94545

Allison Crawford 794 Lincoln Ave. Winnetka, ILL. 60093

Marianna Clay 421 Yalupa Santa Rosa, Calif. 95401

Claudine Clay 421 Yulupa Santa Rosa, Calif. 95401

Grace L. Florance P. O. Box 283 Hemet, Calif. 92343

Julianne Kline 146 Keats Ave. Clovis, Calif. 93612

Everett Fowler 704 Stratford Drive Eneinitas, Calif. 92024

Standard POB 4587 Houston, Texas 77210 W. B. (Bill) Owen

116 West First Roswell, New Mexico 88201 (505) 623-8800

July 24, 1986

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

Nocehury EXHIBIT NO. 4

CASE NO. 9570

Doris Jean Underwood P. O. Box 264 Rush Springs, OK 73082

Re: Your 1/2410 or .134 net mineral

acre interest located in Lots 1, 2, S½NE¼, SE¼
T-17-S, R-37-E, NMPM
Lea County, New Mexico

containing 322.28 gross acres

more or less

Dear Ms. Underwood:

We are attempting to acquire leases from all available mineral owners in certain tracts of land located in this area of Lea County, New Mexico. We hope to acquire enough acreage to continue our exploration plans. Since there is a large number of mineral owners in this area, it will take the cooperation from everyone involved for us to continue drilling in view of the serious downturn in the exploration industry.

To this end, may we offer to lease your acreage. We have enclosed a standard form oil and gas lease providing for a primary term of five years and lessor's royalty of 3/16. The collection draft attached to the lease provides for a total consideration of \$25.00. Based on your net acres and a bonus of \$100 per acre, you would only receive several dollars total consideration. Therefore, we offer to pay you a flat fee of \$25.00 for your granting us a lease.

If this offer meets with your approval you may conclude this matter in the following manner:

- 1. In front of a Notary Public please sign the lease form exactly as indicated. Ensure that the Notary Public completes the acknowledgement on the reverse side of the lease form and affixes his or her seal.
- 2. Endorse the reverse side of the collection draft attached to the lease as you would any check you wished to cash and hand the executed oil and gas lease and endorsed draft to the Collection Department of your bank, requesting them to forward the lease and draft to our bank, The United New Mexico Bank at Roswell, for payment. Also, please fill in the name and address of your depository bank in Paragraph 4 at the red check marks.

July 24, 1986 Page Two

3. A complete copy of the lease is included for your files and future reference.

If you have any questions concerning our offer or any of the enclosures, please don't hesitate to give me a call at (505) 623-8800. If we have not heard from you within 30 days, this offer will be deemed to have terminated.

Sincerely,

Bill Owen

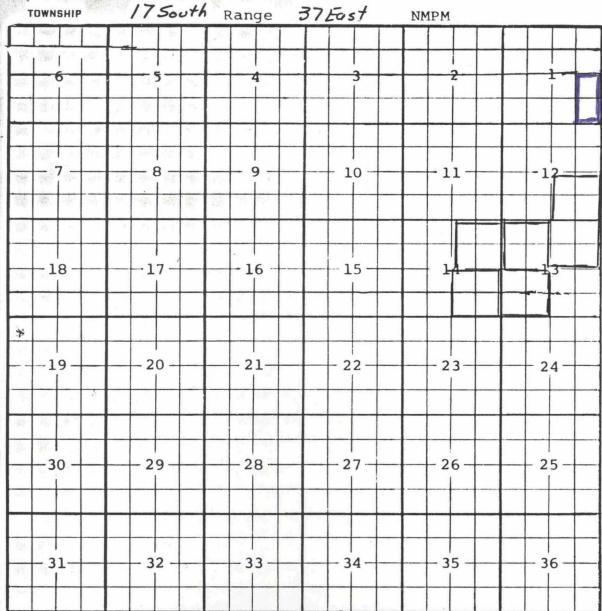
BO/cs

Enclosures as noted

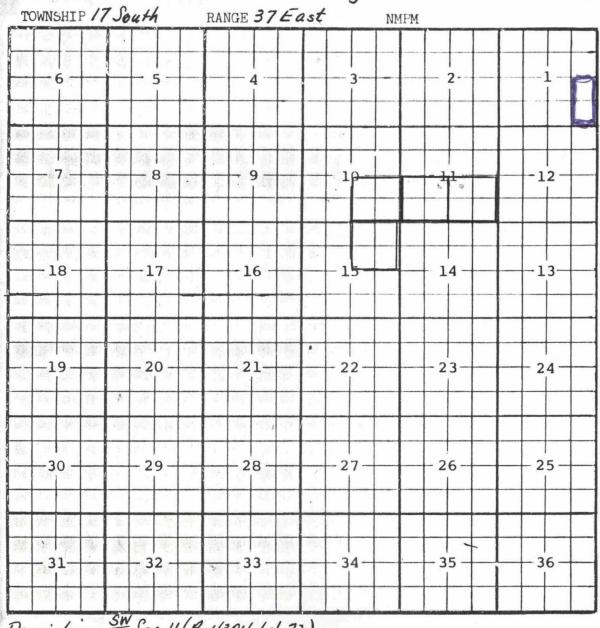
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Description: All Sec. 3, E/2 and 5/2 W/2 Sec. 4, NEX and E/2 Nox/ Sec, 9
N/2 Sec. 10 (R-80 6 2 10-31-85)
Amend horizontal limits to be 1/2 and 55/4 Sec. 4 (R-8062-A, 1-21-86)
Ex+: NE/ 5ec. 9 (R-8214, 5-1-86) Ex+: NW/ 5ec. 9 (R-8340, 11-3-86)
Ex+: NU/4 Sec. 3(R-8409, 3-7-87) Ex+: NE/4 Sec. 3(R-8451, 6-3-87)
EX+: SE/4 SEC 3 (R-8533 10/28/87) EXT: 1/2 SEC 5 (R-8603, 2/A/88)
EXT: N/2 SEC 2, 50/4 SEC 3 (R-8626, 4/1/88)



Desc: 5E/4 sec 14 (R-6913, 3-5-82) Ext: 54 Sec. 13 (R-7372, 10-20-83) Ext: NY4 Sec. 13 (K-8193, 3-21-86) Ex+: NE/4 Sec. 14 (R-8256, 7-8-86) Ext: SE/15ec. 12, NE/5ec. 13 (R-8299, 9-4-86)

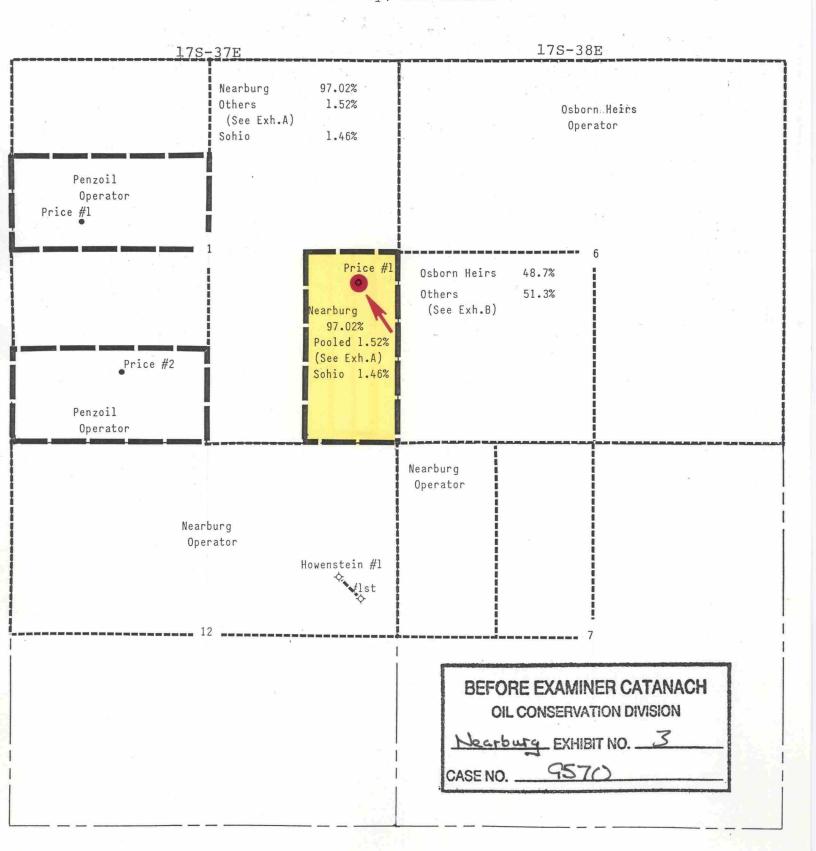


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Christian Antoniako (1875), eta 1		

EXHIBIT A

- 1. Elmer H. Wahl, Inc. 3454 Patomoc Ave. Dallas, Texas 75205
- 2. Dr. C. S. Daley no known address
- Harrison Levy and wife, Helen S. Levy 4801 Classen Blvd.
 Oklahoma City, Oklahoma 73118
- 4. Joseph Nelson no known address use Elmer H. Wahl, Inc.
- Veva or Neva Nelson
 2412 Argosy Way
 Hollywood, Calif. 90028
- 6. Doris Jean Underwood P. O. Box 264 Rush Springs, OK. 73082
- 7. Lena Ann Blake, Deceased H. L. Farris, Administrator 516 S. Macomd El Reno, OK. 73036
- 8. Audrey M. Curry no known address
- The Colorado Corp.
 per in Bankrupt, William C. Lam, Trustee
 U. S. District Court, Case No. 71-B-1216
 Denver, Colorado
- 10. Beverly B. Nelson 2534 S. Evanston Tulsa, OK. 74114
- 11. J. Kenneth Fasken 1535 S. Gillette Tulsa, Oklahoma 74104
- 12. Susan Lam Griffith, Judith Lam LaForge
 Jones Weldon Lam, Jr., Mayo Norman
 All C/O Susan Norman
 125 Riverside Dr.
 Greenwood, Miss. 38430
- 13. Standard Oil & Production Co.
 P. O. Box 4587
 Houston, Texas 777210

Price Family Trust 1I #1 Section 1-17S-37E E/2 SE/4 Proration Unit Lea County, New Mexico



S.

SAN LUIS-MESAVERDE POOL · Cont'd.)

(2) That for allowable purposes, the 40-acre proportional factor for pools in the 0-5000 foot depth range shall apply to the said San Luis-Mesaverde Oil Pool.

(3) That special rules and regulations for the said San Luis-Mesaverde Oil Pool be and the same are hereby promul-grated as hereinafter set forth.

SPECIAL RULES AND REGULATIONS FOR THE SAN LUIS-MESAVERDE OIL POOL

RULE I Each well drilled in the San Luis-Messwerde Oll Pool Shall be located no nearer than 150 feet to the outer boundary of the quarter-quarter section on which it is located and shall be located no nearer than 300 feet to the yearest vided, however, that offset wells to the alsoovery well which are drilled in the NW/4 SE/4 of Section 21 may be located nearer than 300 feet to the offset wells on the alsoovery well which hearer than 300 feet to the offset well of the offset well and the located RULE 2. No 40-acre proration unit in said San Luis-Mesaverde Oil Pool Shall produce in excess of the 40-acre top unit allowable for wells in the 0-5000 fool depth in Northwest New Mexico, regardless of the number of wells drilled on such 40-acre proration unit.

DONE at Santa Fe, New Mexico, on the day and year here-inabove designated.

SHIPP-STRAWN Lea County, New POOL Mexico

R-8062-A, Creating and Adopting Temporary Rules for the Shipp-Strawn Pool, Lea County, New Mexico, January 21, 1986.

Application of the Oil Conservation Division on its Own Motion to Annead Division Order No. R-8962 and to Contract the Horizontal Limits of the East Lovington-Pennsylvanian Pool, Lea County, New Mexico.

CASE Order No. NO. 8790 R-8062-A

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 8 a.m. on December 18, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 21st day of January, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) Dynam has jurisdiction of this cause and the subject matter thereof.

(2) Dynamic Order No. R-8062 issued on October 31, 1986, in Case No. 6866 classified, created and designated the Shapp Strawn Pool, promulgated temporery special rules and regulations therefor, and assigned an oil discovery allowable to the Pennauli Company Versens Well No. 1, located 2):30 feet from the South line and 660 feet from the East line (Unit 1) of Section 4. Township 17 South, Range 37 East, NMPM, all in Lea County, New Mexico.

(3) In the present case, the New Mexico Oil Division (Division) on its own motion seeks amendments to Division Order No. R-8062: l Conservation the following

(a) correction of the oil discovery allowable Pennzoil Company Viersen Well No. 1; assigned ಕ

(b) amendment of the horizontal limits of the pool;
(c) revision of the well location provisions of the Special Pool Rules to require well locations to be no further than 150 (set from the center of a governmental quarter-quarter section or lot; and

(d) deletion of the limitation imposed on the pool restricting the applicability of the Special Pool Rules to the area within the pool boundaries.

(4) The Division further seeks to contract the horizontal limits of the East Lovington-Pennsylvanian Pool by the deletion therefrom of the NW4 of Mestion 4, Township 17 South, Range 37 East, NMFM, Les County, New Mexico.
(5) The evidence presented in this case indicated that:
(a) The NW4 NW4 of said Section 4 is more properly classified as being in the Shipp-Strawn Pool that the East Lovington-Pennsylvanian Pool;

(b) there is insufficient evidence at this time to include more than the N/2 and SE/4 of said Section 4 within the boundaries of said Shipp-Strawn Pool;

(c) the special rules for the Shipp-Strawn Pool should not be limited to that area only within the boundaries of said pool but should apply also within one mile thereof; and,

(d) rules requiring well locations within 150 feet of the center of the quarter-quarter section would better serve to protect the correlative rights of the owners within said pool.

(6) The evidence presented at this hearing also demonstrated that the discovery a lowable assigned to the Pennzol Company Veresen Well No. 1, located 2130 feet from the South line and 660 feet from the Essat Inne of earl Section 4, was improperly calculated and should be reduced to 505086 barrels of oil total.

(7) An order entered amending said discovery allowable, revising said pool boundaries as described above, and incorporating the above described changes in special pool rules will better protect correlative rights and will not result in waste.

(8) The effective date of this order should be January 1986.
IT IS THEREFORE ORDERED THAT:

(i) The East Lovington-Pennsylvanian Pool as heretofore defined and described is hereby contracted by the deletion therefrom of the NWA NWA of Section 9. Township 17 South, Range 37 East, NMFM, Les County, New Mexico.

(2) The horizontal limits of the Shipp-Strawn Pool, as heretofore defined and described in Les County, New Mexico, are hereby amended to include therein the following described area only:

TOWNSHIP 17 SOUTH, RANGE 37 Section 4: N/2 and SE/4 EAST, NMPM

102

Byram & Co., Jan.,

1986

(SHIPP-STRAWN POOL · Cont'd.)

(3) The temporary Special Rules and Regulations Shipp-Strawn Fool are hereby amended to read in their as follows: for the entirety

SPECIAL RULES AND REGULATIONS FOR THE SHIPP-STRAWN POOL

RULE 1. Each well completed or recompleted in the Shipp-brawn Pool or in the Strawn formation within one mile of the Shipp-Strawn Pool, and not neaser to or within the limits of another designated Strawn pool shall be spaced, drilled, operated, and provided in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Shipp Strawn Pool shall be located on a unit containing 80 acres, more or less, which constate of the N/2 S/2, E/2, or W/2 of a single governmental quarter section; provided; however, nothing contained herein shall be contained as prohibing the drilling contained herein shall be contained as prohibing the drilling of the quarter-quarter sections in the unit.

RUILE 3. For good cause shown, the Director may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the Shipp-Strawn Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 4. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

RUIE 5. The Division Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by toographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proration unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proration unit or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

RULE 6. Top unit allowable for a standard proration unit (79 through 8) acres) shall be based on a depth brecket allowable of 445 barrels per day, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a retent the same ratio to a stand such non-standard unit bears a non-standard prindard allowable a rs to 80 acres." e pror the

IT IS FURTHER ORDERED THAT:

(4) The location of any well permitted, in drilling to, or completed in the Strawn formation within the boundaries of the Shipp-Strawn Pool prior to January 21, 1986, which location was orthodox under pool rules existing prior to that time and which location is now unorthodox, is hereby approved.

(5) The locations of any other wells presently permitted in, drilling to, or completed in the currently defined Shipp-Strawn Pool or in the Strawn formation within one interior are hereby approved; the operator of any well having an incribation location shall notify the Hobbs District office of the Divasoa in writing of the name and location of the well on or before April 1, 1986.

(6) The amount of the discovery allowable assigned to the Pennzoil Company Viernen Well No. I located 2330 feet from the South line and 680 feet from the East line of Section 4. Township 17 South, Range 37 East, NMFM, Lea County, New Mexico, as set out in Division Order No. R5062 is bereby amended to a total of 55,595 barrels of oil to be produced at a rate not to exceed 76 barrels per day in accordance with Division General Rule 509.

(7) The effective date of this order and of the pool and rule changes included herein shall be January 21, 1986. 00

(8) Pursuant to Paragraph A. of Section 70.2-18. NMSA (1978), existing wells in the Shipp-Strawn Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 70.2-18, existing wells may have non-standard specing or proration said established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the division dedicating 80 acres to a walk of cobata. For an extended unit approved by the thream within eliasing from the date of this order shall asheet the state of the state of the C-102 has been shall also from the state of the C-102 has been shall be shall

(9) This case shall be reopened at an examiner hearing in November, 1966, at which time the operators in the subject pool may appear and show cause why the Shipp-Strawn Pool about not be developed on 40-acre proration units.

(10) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New nereinabove designated. the day ğ yea:

HUMBLE CITY-STRAWN POOL Lea County, New Mexico

Order No. R-4338, Humble City-Stra g Temporary (Lea County, 1972. Operating Rules , New Mexico, J s for 75

Order No. R-4438-A, July 23, 1973, of the temporary rules adopted in Order No. Order No. R-4338-B, October 22, 19 the rules adopted in Order No. R-4338. 1974, extends to R-4338. , makes 8 permanent , 1974

Application of Harding Oil Company Discovery Allowable and Special Pool Lea County, New Mexico. y for a l Rules,

CASE NO. -

윾 THE COMMISSION

BY THE COMMISSION: '9 a.m. on June 28, 1972, Examiner Elvis A. Utz. Fe, New I n for hearing at w Mexico, before

NOW, on this 17th day of July, 1972, the Commission, a quorum being present, having considered the testimony the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public no by law, the Commission h subject matter thereof. notice having been has jurisdiction of given as required this cause and the

(2) That the applicant, Harding Oil Company, seeks the pro-nuigation of special rules and regulations for the Humble City-Strawn Pool, Lea County, New Mexico, including a pro-vision for 80-acre proration units.

(3) That the applicant also seeks the assignment of an oil discovery allowable in the amount of approximately \$7,100 barrels to the discovery well for asid pool.

(4) That the evidence presently available indicates that the Harding Oil Company E. D. Shipp Well No. 1, located in Unit K of Section II. Township I South, Range 37 East, NAFM, Lea County, New Mexico, discovered a separate common source of supply which has been designated the Humble City-Strawn Pool; that the vertical limits of said pool have been defined as the Sirvava formation, and that the horizontal limits of said pool have been defined as the Sirvava formation, and that the horizontal limits of said pool have previously been defined as the Siv/4 of said Section II.

(5) That the discovery well for the aforesaid pool, E. D. Shipp Well No. 1, located in Unit K of Section II. Founds, Range 37 East, NaFM, Lea County, New Mexico, is entitled to and should receive a bound shovery oil allowable in the amount of 57,100 barrels, based upon the top of the perforations in said well at II. 420 feet, to be assigned over a two-year period.

(6) That is norder to prevent the economic loss caused by the drilling of unnecessiry wells, to avoid the augmentation of risk arting from the drilling of an excessive number of wells, to prevent saids and regulations providing for 50-circ spacing units should be promulgated for the Humble City-Strawn Pool.

(7) That to provide for 1 development of the temporary special limited well locations of the pool and protect i rules and regulation s in order to assure ct correlative rights. regulations should to assure orderly

(8) That t be establish operators in to establish drained and d

(g) That this care should be reopened at an examiner hearing in June, 1873, at which time the operators in the subject pool should be prepared to appear and show causes why the Humble City-Straw processing the developed on other than 40-acre spacing units.

IT IS THEREFORE ORDERED:
(1) That the Humble City-Strawn Pool in Lea Mexico, as heretotore classified, defined, and o hereby extended to include therein: a County, New described, is

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM Section 11: SE/4

(2) That the Harding Oil Company E. D. Shipp Weil No. 1 located in Unit of Section II, Township /1 South, Range 31 located in Unit of Gerbon II, Township /1 South, Range Shat, Humble City-Strawn Pool, Lea County, New Mexico, is hereby authorized an oil discovery allowable of 25,100 barrels for the eassigned to said well at the rate of 79 barrels per day in accordance with Rule 309 of the Commission Rules and Regulations.

(3) That temporary Special Humble City-Strawn Pool, Lea C promulgated as follows: and Regulations New Mexico, are for reby

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SPECIAL RULES AND REGULATIONS
HUMBLE CITY-STRAWN POOL

RULE 1. Each well completed or recompleted in the Humble
City-Strawn Pool or in the Strawn for mation within one mile
thereof, and not nearer to or within the limits of another
designated Strawn oil pool, shall be spaced drilled, operated,
and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit
containing 80 acres, more or less, consisting of the NY2, S/2,
E/2, or W/2 of a governmental quarter section; provided however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter
sections in the unit.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a governmental quarter-quarter section or lot, or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the Section of the sectio

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the temporary special rules and regulations should thind for a one-year period in order to allow the name to be the property of the property o

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(10) That the horizontal limits of Pool should be extended to include described Section 11.

application upon receipt of written waivers from erators or if no offset operator has entered an obformation of the non-standard unit within 30 d. Secretary-Director has received the application.

RULE 4. Each well shall be located within 15 center of a governmental quarter-quarter sec om all object days offset tion to s after \$ 5 6

n 150 feet section or 01

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 6.87 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

-

Failure to file new Forms C-102 with the Commission dedicating 80 acres to a well or to obtain a non-standard unit approved by the Commission within 80 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the Humble City-Straw Pool or in the Strawn formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

Order River-

iot sp

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That the locations of all walls presently drilling to or completed with no Municipal to Straw Peop op in the Straw completed with no Municipal to Straw Peop op in the Straw than the Municipal to Straw Peop op in the Straw Peop of any cell that the complete of the Commission in writing of the poperator of any cell having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before August 1, 1972.

(2) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1933, contained in Chapter 271, Laws of 1980, existing wells in the Humble City-Strawn Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have con-standard spacing or provation units established by the Commission and dedicated thereto.

(3) That this case shall be reopened at an examiner hearing in June. 1973, at which time the operators in the subject pool may appear and show cause why the Humble City-Strawn Pool should not be developed on other than 40-acre spacing units.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deen necessary.

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

This fit party:

BLACK RIVER-Eddy -PENNSYLVANIAN GAS POOL County, New Mexico the Black w Mexico,

No. R-4698, Pennsylvanian Adopting Operating n Gas Pool, Eddy February 1, 1974. New

Application of A for the Adoption (°, à Pool Product of Rules, ction Company s, Eddy County,

CASE NO. 1 Order No. R-4

OF THE COMMISSION

BY THE COMMISSION: This cause 9 a.m. on January 3, 1974, at Santa Examiner Daniel S. Nutter. Mexico, before

FINDS:
(1) That due public r law, the Commission h subject matter thereof. NOW, on this 15th day of January, quorum being present, having constraeord, and the recommendations of fully advised in the premises, notice having been given has jurisdiction of this , 1974, the Commission, a ldered the testimony, the the Examiner, and being cause and t

Production Company, is drilling Pennsylvanian Gas Pool, Eddy

(2) That the applicant Amoco Production Company a gas well in the Black River-Pennsylvanian Gas County, New Mexico.

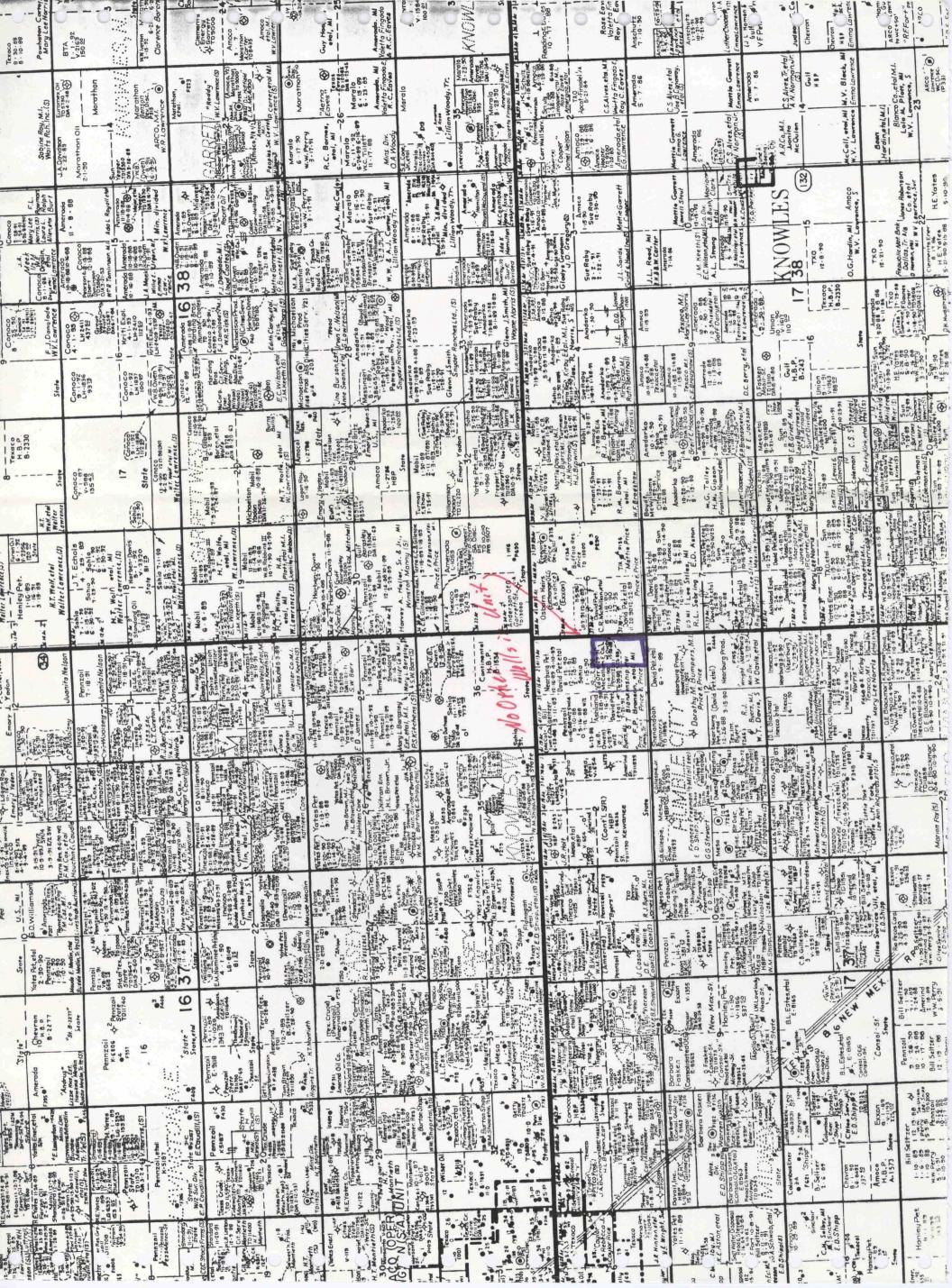
(3) That said Black River-Pennsylvanian Gas created and designated by the Commission by Order ? effective December 1, 1980. No R-

(d) That by Commission Order No. R-2207, dated May 25, 1964, Rul 104 of the Commission Rules and Regulations was predicted to the Commission Rules and Regulations was provide an activation of the Provide American Company (defined to the Provide American Commission), and the Provide Rules of the Provide

(5) That the applicant in the Instant case seeks the promulgation of rules including a provision for 320-acre spacing for the Black River-Pennsylvantan Gas Pool in Eddy County, New Mexico, inasmuch as that pool was excluded from the provisional of Order No. R-2707, because it was created and defined prior to the cut-off date of June 1, 1964.

(6) That no appearances were made at instant case and no objection was received to Black River-Pennsylvanian Gas Pool und of Rule 104 of the Commission Rules and E pools of Pennsylvanian age or older. at the hearing of to the inclusion of under the provist d Regulations for 2055

(7) That one well in the Black River-Pennsylvanian Gas I in Eddy County, New Mexico, will efficiently and economic drain and develop 300 area, and the inclusion of said pool the 320-acre provisions of Rule 104 for pools of Pennsylvan age or older will not cause wants nor violate correlative rig and should be approved.



Osborn Heirs Co. Box 17968 San Antonio, Texas 78286

W. B. Osborn Oil and Gas Operators Box 8-C San Antonio, Texas 78286

Roy G. Barton P. O. Box 978 Hobbs, New Mexico 88240

Rebel Oil Corp. 4265 San Felipe, Su. 550 Houston, Texas 77027

Clemco 120 South College Tyler, Texas 75702

Alan J. Antweil P. O. Box 250 Hobbs, New Mexico 88241

Roy B. McCallister 1314 Ninth St. Lubbock, Texas

Carolyn Sue Clay 9469 Grossmont Blvd. La Mesa, Calif. 92041

Dale Arthur Clay c/o Weather Bureau P. O. Box 1406 Missoula, Mont. 59801

John Clay 9469 Grossmont Blvd. La Mesa, Calif. 92041

Lawrence John Clay 9469 Grossmont Blvd. La Mesa, Calif. 92041

Marianne Clay 421 Yulupa Santa Rosa, Calif. 95401

Paul Clay 421 Yulupa Santa Rosa, Calif. 95401

Rosalind Grace Clay 9469 Grossmont Blvd. La Mesa, Calif. 92041

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Dr. E. M. Josephson 230 East 61st St. New York, New York 10021

Charles Curren 1214 20th St. Longview, Wash. 98632

R. L. Ray, Ltd. P. O. Box 680 Tyler, Texas 75710

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Will A. Knight 3201 Belmead Tyler, Texas 75701

John D. Bright 617 Top Hill Tyler, Texas 75703

Amax Petroleum Corp. 507 Enterprise Bldg. Tulsa, Oklahoma

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Merritt Gneiser 6215 West Jefferson Place Denver, Colorado 80226

Caroline Rice 841 West Sunnyside, Apt. 2N Chicago, Ill. 60640

Adeline Gingress no address available

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Hazel Francis Myers P. O. Box 3 Ft. Morgan, Colo. 80701

Pearl Francis Carrol East Star Route, Box 205A Portales, N.M. 88130 Joe Francis 3050 West Arizona Ave. Denver, Colo. 80219

Orin Francis 10659 Ogden St. Denver, Colo. 80233

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Nellie M. Fuller Haven 2619 Orange Ave. Costa Mesa, Calif. 92601

Earl F. Fowler 2000 Clay St. New Port, Calif. 92660

Everett Fowler 704 Stratford Drive Eneinitas, Calif. 92024

Lloyd G. Fowler 3426 East Hawthorne St. Tucson, Ariz. 85700

Lillian Smalley Henning 1758 N. Santa Ana Ave. Costa Mesa, Calif. 92626

Audrey Wilson 4771 Crosby St. Garden Grove, Calif. 92641

Earl H. Beitler 12771 Lemonwood Lane Garden Grove, Calif. 92640

Minnie Beitler 5623 Los Palos Circle Bueno Park, Calif. 90620

Sherrill Lee Woodie 6281 Bishop St. Cypress, Calif. 90630

Earl LeRoy Beitler 5623 Los Palos Circle Bueno Park, Calif. 90620

Russell George Beitler 5623 Los Palos Circle Bueno Park, Calif. 90620

Charles Evan Beitler 5623 Los Palos Circle Bueno Park, Calif. 90620

Stanley Beitler 11072 Jerry Lane Garden Grove, Calif. 92601

Dean Beitler 484 Ave. Del Recreo Ojao, Calif. 93023

William Wendell Vance 8833 Woodley Sepulveda. Calif. Wayne Vance P. O. Box 729 Crestline, Calif. 92325

Helen Vance Haspel 2166 Missouri St. San Diego, Calif. 92101

Barbara Vance Van Nuys, Calif.

Wallace Vance 2581 Ohio St., #B South Gate, Calif. 90280

LeRoy Pemberton Ravena, N.Y.

Jennie M. Parks Freehold, N.Y.

Gladys Pemberton Shepard Shepard Farms Greenville, N.Y. 10583

Thelma Mullen R.F.D. Nassau, N.Y. 12123

Eleanor Moak Greenville, N.Y.

Gladys Johnson Hurley, N.Y.

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Clifford Bates 418 S. 18th St. Council Bluffs, Iowa 51501

Hazel Loosing Arlington, Neb.

Francis Smith 27722 Barcelona Ave. Hayward, Calif. 94545

Patricia E. Anderson 204 South Division "W" Audobon, Iowa 50025

Charles E. Bates, Jr. no address available

Harry Bates 1851 Teller Lakewood, Colo. 80215

Ray Bates 2321 King Ave. Halton City, Tex. 76117

Vicki Hayes no address available

Clarence Jensen 3832 Valley Omaha, Neb. 68105 Nina Bates 2209 "M" St. Omaha, Neb. 68107

Harriett Sperry 2209 "M" St. Omaha, Neb. 68107

Elaine Woodward 2209 "M" St. Omaha, Neb. 68107

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December 13, 1988

DEC 3

HAND-DELIVERED

OIL CONSERVATION DIVISION

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Case 9520

Re: In the Matter of the Application of Nearburg Producing Company for an Unorthodox Oil Well Location and Compulsory Pooling, Lea County, New Mexico

In the Matter of the Application of Nearburg Producing Company for an Unorthodox Well Location, Eddy County, New Mexico

and

In the Matter of the Application of Nearburg Producing Company for an Unorthodox Well Location, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed are three Applications for Nearburg Producing Company in the above-referenced cases. Nearburg Producing Company respectfully requests that these matters be placed on the docket for the Examiner hearings scheduled on January 4, 1989.

Very truly yours,

WILLIAM F. CARR

WFC:mlh Enclosures

cc w/enclosures: Mr. Mark K. Nearburg

Nearburg Producing Company

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DEC 13 1988

BEFORE THE

OIL CONSERVATION DIVISION

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 OIL WELL LOCATION, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

case no. <u>9570</u>

APPLICATION

comes now nearburg producing company, by and through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order approving an unorthodox oil well location and for an order pooling all of the mineral interests in the Strawn formation in and under all of Section 1, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

- 1. Applicant seeks approval of an unorthodox oil/gas well location to drill the Price Family Trust #1 Well, to be located 2310 feet from the South line and 600 feet from the East line of Section 1, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico.
- 2. A standard 80-acre oil spacing and proration unit comprised of the $\rm E/2~SE/4$ of said Section 1 should be dedicated to the well.
- 4. Applicant seeks an exception to the well location requirements of Oil Conservation Division Rule 104 to permit the drilling of the well at the above described unorthodox location to

- a depth sufficient to adequately test the Strawn formation, Northeast Lovington Penn Pool.
- 5. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the acreage to be pooled in said Section 1, except for the following interest owners:

Elmer H. Wahl 3454 Patomac Avenue Dallas, Texas 75205

Dr. C. S. Daley
(address unknown)

Harrison Levy and Helen S. Levy 4801 Classen Blvd., Oklahoma City, Oklahoma 73118

Joseph Nelson c/o Elmer H. Wahl, Inc. 3454 Patomac Avenue Dallas, Texas 75205

Veva or Neva Nelson 2412 Argosy Way Hollywood, California 90028

Doris Jean Underwood Post Office Box 264 Rush Springs, Oklahoma 73082

Lena Ann Blake 516 S. Macomd El Reno, Oklahoma 73036

Audrey M. Curry (address unknown)

The Colorado Corporation per in bankrupt, William C, Lam, Trustee U.S. District Court Denver, Colorado

Beverly B. Nelson 2534 S. Evanston Tulsa, Oklahoma 74114

J. Kenneth Fasken 1535 S. Gilette Tulsa, Oklahoma 74104

Susan Lam Griffith
Judith Lam LaForge
Jones Weldon Lam, Jr.
Mayo Norman
c/o Susan Norman
125 Riverside Drive
Greenwood, Mississippi 38430

- 5. That approval of this application will afford applicant the opportunity to produce its just and equitable share of the gas in the Strawn formation and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights and will avoid the drilling of unnecessary wells.
- 6. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on January 4, 1989, and that 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, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,
CAMPBELL & BLACK, P.A.

By:

WILLIAM F. CARR

J. SCOTT HALL

Post Office Box 2208 Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR NEARBURG PRODUCING COMPANY

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BEFORE THE

OIL CONSERVATION DIVISION

QIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF NEARBURG PRODUCING COMPANY FOR AN UNORTHODOX OIL WELL LOCATION, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

case no. <u>9570</u>

APPLICATION

COMES NOW NEARBURG PRODUCING COMPANY, by and through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order approving an unorthodox oil well location and for an order pooling all of the mineral interests in the Strawn formation in and under all of Section 1, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

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- 2. A standard 80-acre oil spacing and proration unit comprised of the $\rm E/2~SE/4$ of said Section 1 should be dedicated to the well.
- 4. Applicant seeks an exception to the well location requirements of Oil Conservation Division Rule 104 to permit the drilling of the well at the above described unorthodox location to

a depth sufficient to adequately test the Strawn formation, Northeast Lovington Penn Pool.

5. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the acreage to be pooled in said Section 1, except for the following interest owners:

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Judith Lam LaForge
Jones Weldon Lam, Jr.
Mayo Norman
c/o Susan Norman
125 Riverside Drive
Greenwood, Mississippi 38430

- 5. That approval of this application will afford applicant the opportunity to produce its just and equitable share of the gas in the Strawn formation and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights and will avoid the drilling of unnecessary wells.
- 6. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on January 4, 1989, and that 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, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,
CAMPBELL & BLACK, P.A.

By:

WILLIAM F. CARR

J. SCOTT HALL

Post Office Box 2208

Santa Fe, New Mexico 87504 Telephone: (505) 988-4421

ATTORNEYS FOR NEARBURG PRODUCING COMPANY

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BEFORE THE

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OIL CONSERVATION DIVISION

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 OIL WELL LOCATION, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 9570

APPLICATION

COMES NOW NEARBURG PRODUCING COMPANY, by and through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order approving an unorthodox oil well location and for an order pooling all of the mineral interests in the Strawn formation in and under all of Section 1, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

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Susan Lam Griffith
Judith Lam LaForge
Jones Weldon Lam, Jr.
Mayo Norman
c/o Susan Norman
125 Riverside Drive
Greenwood, Mississippi 38430

- 5. That approval of this application will afford applicant the opportunity to produce its just and equitable share of the gas in the Strawn formation and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights and will avoid the drilling of unnecessary wells.
- 6. In order to permit the Applicant to obtain its just and fair share of the oil and ges underlying the subject lands, the mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

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Respectfully submitted,
CAMPBELL & BLACK, P.A.

By:

WILLIAM F. CARR

J. SCOTT HALL

Post Office Box 2208 Santa Fe, New Mexico 87504

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ATTORNEYS FOR NEARBURG PRODUCING COMPANY