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March 22, 1989

HAND-DELIVERED

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

RECEIVED

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OIL CONSERVATION DIVISION

Case 9644

Re: In the Matter of the Application of Nearburg Producing
Company for Directional Drilling, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed is an Application for Nearburg Producing Company in the
above-referenced case. Nearburg Producing Company respectfully
requests that this matter be placed on the docket for the Examiner
hearings scheduled on April 12, 1989.

Very truly yours,



WILLIAM F. CARR
WFC:mlh

Enclosures

cc w/enclosures: Mr. Mark K. Nearburg
Nearburg Producing Company

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 DIRECTIONAL DRILLING,
LEA COUNTY, NEW MEXICO.

RECEIVED CASE NO. 9644

APPLICATION

COMES NOW NEARBURG PRODUCING COMPANY, by and through its undersigned attorneys, hereby makes application pursuant to Oil Conservation Division Rule 111 to directionally drill its State 10 C No. 1Y Well, and in support thereof states:

1. Applicant is the operator of the Devonian formation underlying the NW/4 NW/4 of Section 10, Township 12 South, Range 38 East, N.M.P.M., Lea County, New Mexico.

2. Applicant proposes to directionally drill its State 10 C No. 1Y Well from a surface location of 660 feet from the North line and 1980 feet from the West line to a bottom hole location within 100 feet of a point 1000 feet from the North line and 1100 feet from the West line of Section 10, Township 12 South, Range 38 East, N.M.P.M., Lea County, New Mexico with the intent of testing the Devonian formation at an approximate depth of 12,400 feet.

3. Applicant proposes to dedicate to the State 10C No. 1Y Well a standard proration unit comprised of the NW/4 NW/4 of said Section 10.

4. The directional drilling of this well will enable the

applicant to produce the reserves which underlie the above-referenced proration unit in the most economical and efficient manner.

5. That approval of this Application will enable the applicant to produce hydrocarbons that otherwise would not be produced and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on April 12, 1989, that notice be given as required by law and the rules of the Rules of the Division, and that the Division enter its Order granting the applicant permission to directionally drill its State 10 C No. 1Y Well and granting such other relief as is appropriate.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 

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ATTORNEYS FOR NEARBURG
PRODUCING COMPANY