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October 23, 1990

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

10/23/90

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STATE DEPT OF ENERGY

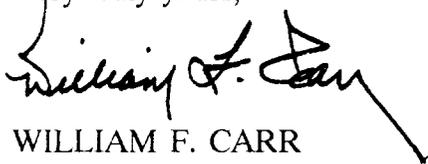
10/52

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

Dear Mr. LeMay:

Enclosed in triplicate is an application of Nearburg Producing Company in the above-referenced case. Nearburg Producing Company respectfully requests that this matter be placed on the docket for the November 14, 1990 Examiner hearings.

Very truly yours,


WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosure: Mr. Mark K. Nearburg
Nearburg Producing Company
401 E. Illinois, Suite 300
Midland, Texas 79701

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. 10152

APPLICATION

COMES NOW NEARBURG PRODUCING COMPANY, by its undersigned attorneys, hereby makes application pursuant to Section 70-2-17, N.M.S.A. (1978) for an order pooling all of the mineral interests from the surface to the base of the Pennsylvanian formations, for any and all formations and/or pools developed on 640-acre spacing in and under Section 30, Township 19 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns approximately 75% of the working interest in and under Section 30, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be located at a standard location in said Section 30.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in Section 30, except for Hanley Petroleum Inc. owner of the remaining 25% working interest.

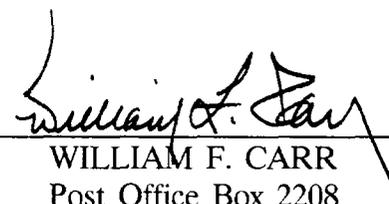
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

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

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on November 14, 1990, 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, and making such other and further provisions as may be proper.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 
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ATTORNEYS FOR NEARBURG
PRODUCING COMPANY