

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
J. SCOTT HALL  
PETER N. IVES  
JOHN H. BEMIS  
MARTE D. LIGHTSTONE

GUADALUPE PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

December 23, 1987

*Case 9283*  
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DEC 23 1987

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

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

Dear Mr. LeMay:

Enclosed is the Application of Nearburg Producing Company and our  
Entry of Appearance in the above-referenced case. Nearburg  
Producing Company respectfully requests that this matter be  
placed on the docket for the Examiner hearings scheduled on  
January 6, 1988.

Very truly yours,

*Marte Lightstone*

MARTE LIGHTSTONE

ML/mlh

Enclosures

cc w/enclosure: Mark K. Nearburg  
Nearburg Producing Company

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS,  
AND NATURAL RESOURCES

RECEIVED

DEC 10 1978

OIL CONSERVATION DIVISION

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

CASE NO. 9283

APPLICATION

COMES NOW NEARBURG PRODUCING COMPANY, by and through its undersigned attorneys, and as provided by Section 70-2-17, N.M.S.A. (1978), hereby makes application for an Order pooling all of the mineral interests from the top of the Wolfcamp formation to the base of the Mississippian formation in and under the E/2 of Section 15, Township 20 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. Applicant also seeks an unorthodox well location and in support thereof would show the Division:

1. Applicant owns approximately 99% of the working interest in and under the E/2 of Section 15, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to its Anderson 15 Well #1 to be located at an unorthodox location 1755 feet from the North line and 660 feet from the East line of said Section 15 to be drilled to a depth sufficient to test the Cemetary-Morrow formation.

3. Applicant seeks an exception to the well location requirements of Oil Conservation Division Rule 104 to permit the drilling of the well at the unorthodox location described in paragraph 2 above because of a paved road in the NE/4 of said Section 15.

4. A standard 320 acre gas proration unit comprising the E/2 of said Section 15 is proposed to be dedicated to the well.

5. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the E/2 of said Section 15, except for the following working interest owners:

|                                                                           |                                       |
|---------------------------------------------------------------------------|---------------------------------------|
| Georgia E. Cotlinski<br>Post Office Box 351<br>Elsinore, California 92330 | .00526% W.I.<br>in E/2 of Section 15  |
| Retha Jones<br>2605 Western Way<br>Carlsbad, New Mexico 88220             | .22725% W.I.<br>in E/2 of Section 15  |
| Bill Needham<br>401 Temperance<br>Deer Park, Texas 77536                  | .020625% W.I.<br>in E/2 of Section 15 |

6. Said pooling of interests and approval of the unorthodox well location will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

7. 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, the unorthodox well location should be granted 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 6, 1988, and that after notice and hearing as required by law, the Division enter its order pooling the lands, approving the unorthodox well location, and including provisions in its Order 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 Marte Lightstone  
WILLIAM F. CARR  
MARTE LIGHTSTONE  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421

ATTORNEYS FOR NEARBURG PRODUCING COMPANY