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June 14, 1988

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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 9425

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

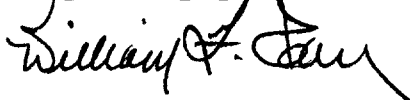
✓ In the Matter of the Application of Nearburg Producing
Company for an Unorthodox Gas Well Location and
Simultaneous Dedication, Eddy County, New Mexico; and

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

Dear Mr. LeMay:

Enclosed please find three Applications of 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 July 6, 1988.

Very truly yours,



WILLIAM F. CARR

WFC/mlh

Enclosure

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

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

IN THE MATTER OF THE APPLICATION OF
NEARBURG PRODUCING COMPANY FOR AN
UNORTHODOX WELL LOCATION AND SIMULTANEOUS
DEDICATION, EDDY COUNTY, NEW MEXICO.

CASE NO. 9425

APPLICATION

NEARBURG PRODUCING COMPANY by its undersigned attorneys, hereby makes application to the Oil Conservation Division for approval of an unorthodox gas well location and simultaneous dedication, and in support thereof states:

1. Applicant is the operator of the E/2 of Section 22, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and proposes to drill its B & B 22 P Well #2 at a point 660 feet from the South and East lines of said Section 22 and to simultaneously dedicate the E/2 of Section 22 to this well and its B & B Well No. 1 located 1980 feet from the North and East lines of said Section.

2. 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 Pennsylvanian formation, Boyd Morrow Field.

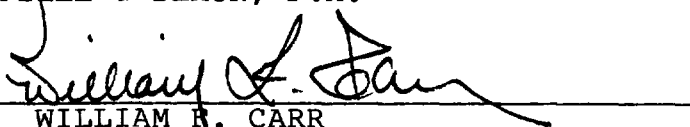
3. That approval of this application will afford applicant the opportunity to produce its just and equitable share of hydrocarbons underlying this spacing unit and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on July 6, 1988, and that after notice and hearing as required by law, the Division enter its order granting this application and providing such other relief as is proper.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By



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ATTORNEYS FOR NEARBURG PRODUCING COMPANY