

m.s.

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June 14, 1988

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HAND DELIVERED

Case 9426 JUN 14 1988  
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 an Unorthodox Gas Well Location and  
Compulsory Pooling, Eddy County, New Mexico

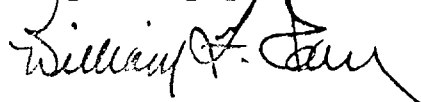
In the Matter of the Application of Nearburg Producing  
Company for an Unorthodox Gas Well Location and  
Simultaneous Dedication, Eddy County, New Mexico; and

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

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

JUN 14 1978  
OIL CONSERVATION DIVISION

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

CASE NO. 9426

APPLICATION

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 in the Pennsylvanian formation in and under the N/2 of Section 26, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and approving an unorthodox well location and in support thereof would show the Division:

1. Applicant owns approximately 55% of the working interest in and under the N/2 of Section 26, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to its Nine Lives 26 E No. 1 Well to be located at an unorthodox location 990 feet from the North and West lines in said Section 26.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the N/2 of said Section 26 except for Arco Oil & Gas Company, the owner of a 45% working interest.

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

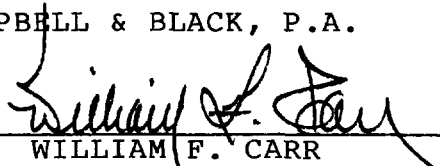
5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled at the proposed unorthodox location.

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 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, approving an unorthodox location for the Nine Lives 26 E No. 1 Well, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By

A handwritten signature in dark ink, appearing to read "William F. Carr", is written over a horizontal line.

WILLIAM F. CARR

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ATTORNEYS FOR NEARBURG PRODUCING COMPANY