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May 2, 1988

HAND DELIVERED

*Case 9376*

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 Amendment of Oil Conservation Division  
Order No. R-8605 and for Retroactive Allowables,  
Lea County, New Mexico

Dear Mr. LeMay:

Enclosed is the 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  
Examiner hearings scheduled on May 25, 1988.

Very truly yours,

*W. F. Carr*

WILLIAM F. CARR

WFC/mlh  
Enclosure

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

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OCT 10 1988  
OIL CONSERVATION DIVISION

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

IN THE MATTER OF THE APPLICATION OF  
NEARBURG PRODUCING COMPANY FOR  
AMENDMENT OF OIL CONSERVATION DIVISION  
ORDER NO. R-8605 AND FOR RETROACTIVE  
ALLOWABLES, LEA COUNTY, NEW MEXICO.

CASE NO. 9526

APPLICATION

COMES NOW, NEARBURG PRODUCING COMPANY, and hereby makes application for an Order amending Division Order No. R-8605 and setting retroactive allowables and in support thereof states:

1. By Order No. R-8605 entered by the Division on March 8, 1988 an unorthodox location was approved for the Nearburg Producing Company Soledad "19M" Well located 1000 feet from the South and West lines of Section 19, Township 16 South, Range 37 East, Lea County, New Mexico. Said well to be completed in the Northeast Lovington-Pennsylvanian Pool.

2. Order R-8605 also approved a 50.35 acre non-standard proration unit for the Soledad "19M" Well comprised of Lot 4 of said Section 19.

3. The Soledad "19M" Well was drilled and completed in the Northeast Lovington-Pennsylvanian Pool and has produced therefrom since its completion in March, 1988.

4. The producing capabilities of the well demonstrate that it is draining acreage to the North of the approved non-standard

proration unit and that Order R-8605 should be amended to create a non-standard proration unit comprised of Lots 3 and 4 of said Section 19, thereby creating a non-standard proration unit for this well comprised of approximately 100.75 acres.

5. That approval of this application and assignment of allowables based on this non-standard proration unit retroactively to the date of the first production will enable the interest owners in this well to produce their just and fair share of the reserves in the Northeast Lovington-Pennsylvanian Pool 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 matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on May 25, 1988, and that after notice and hearing as required by law, the Division enter an order amending Division Order No. R-8605 to enlarge the non-standard proration unit dedicated to the Soledad "19M" Well and to retroactively assign allowable to this well based upon the new non-standard proration unit from the date of first production and granting such other provisions as the Division deems proper.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By



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ATTORNEYS FOR NEARBURG PRODUCING COMPANY