

DATE: 5/16/00	SUSPENSE: 6/5/00	ENGINEER: MS	LOGGED: KN	TYPE: NSL
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

MAY 16 PM 12:47

OIL CONSERVATION DIV.

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

William F. Carr
Print or Type Name

William F. Carr
Signature

Attorney
Title

5/16/00
Date

W

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
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ANTHONY F. MEDEIROS

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1916-1999

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: law@westofpecos.com

May 15, 2000

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: *Application of Nearburg Exploration Company, L.L.C. for Administrative Approval of an Unorthodox Bottomhole Well Location for its South Boyd "27" State Well No. 12 at a point 636.6 feet from the South line and 1769.1 feet from the West Line of Section 27, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.*

Dear Ms. Wrotenbery:

Nearburg Exploration Company, L.L.C. hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2) adopted on January 18, 1996, of an unorthodox bottomhole well location for its South Boyd "27" State Well No. 12 at a point 618.7 feet from South line and 1759.2 feet from the West line of Section 27, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. The SW/4 of Section 27 is be dedicated to the well.

This well was originally drilled as a vertical wellbore at a standard surface location 990 feet from the South line and 1980 feet from the West line of said Section 27. The well was dry in the Cisco Canyon formation. Nearburg then directionally drilled to the Cisco Canyon formation. The bottom perforations in the well, at a vertical depth of 7,799 feet (TVD), are at a standard location 676.6 feet from the South line and 1769.1 feet from the

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
May 15, 2000
Page 2

West line. However, although the well has been plugged back, the dead hole below the float collar in the wellbore extends to an unorthodox bottomhole location 636.6 feet from the South line and 1769.1 feet from the West line of said Section 27. This location in the Cisco Canyon formation is unorthodox because it is governed by the Division Rule 104.B. (1)(a) which provides for wells at this depth on 160-spacing units to be located no closer than 660 feet to any outer boundary of such unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary.

Attached hereto as Exhibit A is a plat, as required by Rule 104.F (3), showing the subject spacing unit, the surface and bottomhole proposed unorthodox well location, the offsetting wells and the diagonal and adjoining spacing units.

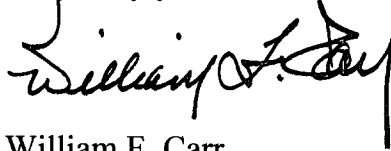
Attached hereto as Exhibits B and C are the Plan View and supporting Survey Report and the Vertical Section View and supporting Survey Report for this wellbore.

Exhibit D lists parties affected by this application. A copy of this application, including a copy of the plat described above has been sent to the affected parties by certified mail-return receipt requested in accordance with Rule 1207 (A)(5) advising them that if they have an objection to this application it must be filed in writing within twenty days from the date this notice was sent.

Also enclosed is a proposed order approving this application.

Your attention to this matter is appreciated.

Very truly yours,

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

William F. Carr
Attorney for Nearburg Exploration Company, L.L.C.

WFC/md
Enclosures

cc: Mr. Bob Shelton
Nearburg Exploration Company, L.L.C.

EXHIBIT A

VERTICAL SECTION VIEW

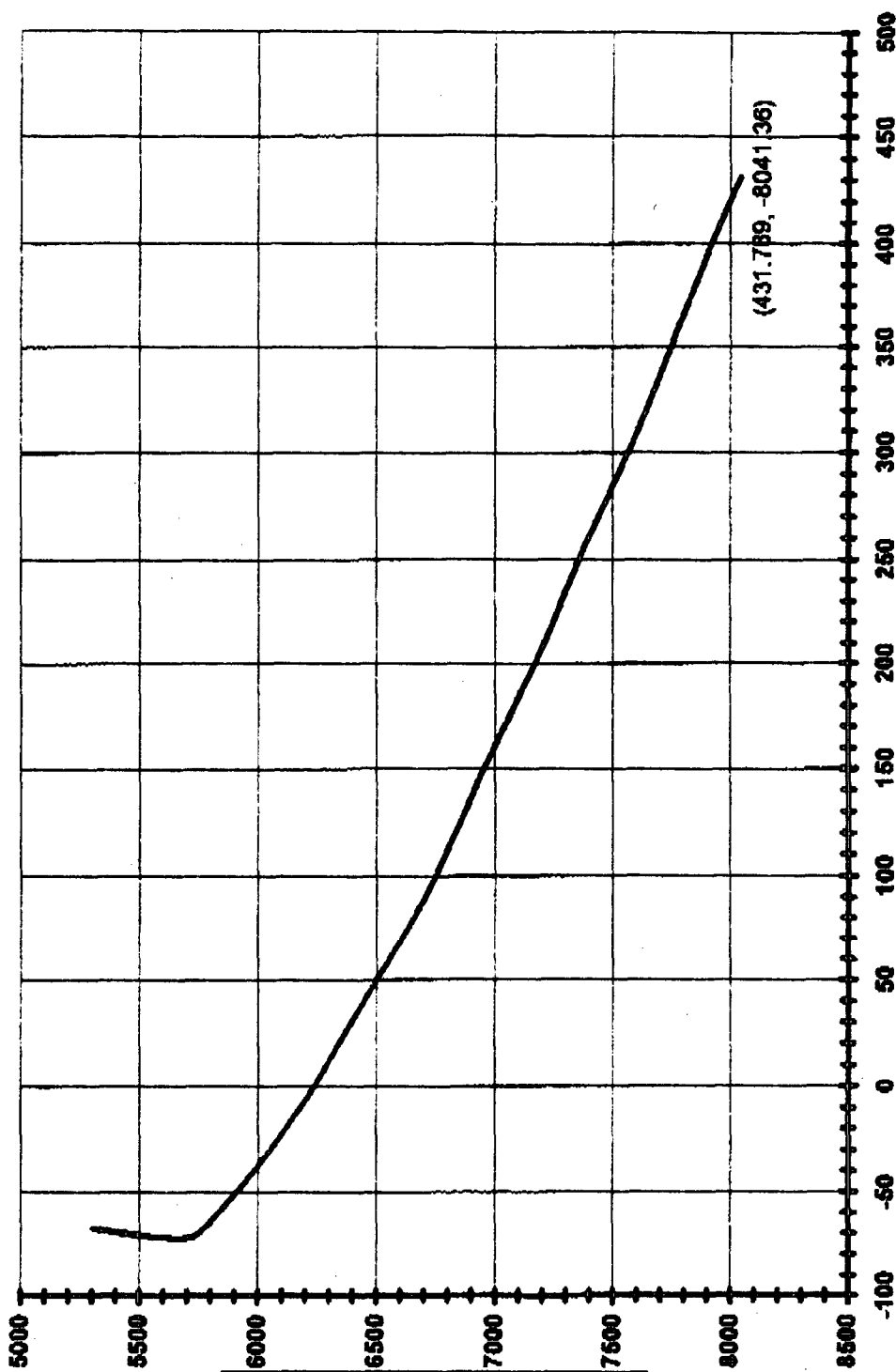


EXHIBIT B



Drilling Services

A Computalog Ltd. & Geoservices N.A. Ltd. Joint Venture

Survey Report

OPERATOR: NEARBURG PRODUCING COMPANY START: 2/17/00
WELL: S. BOYD 27 #128T JOB # DD00100 FINISH: 2/27/00
LOCATION: EDDY COUNTY, NEW MEXICO KOP= 5414 MD

PROPOSED DIRECTION: 211.83

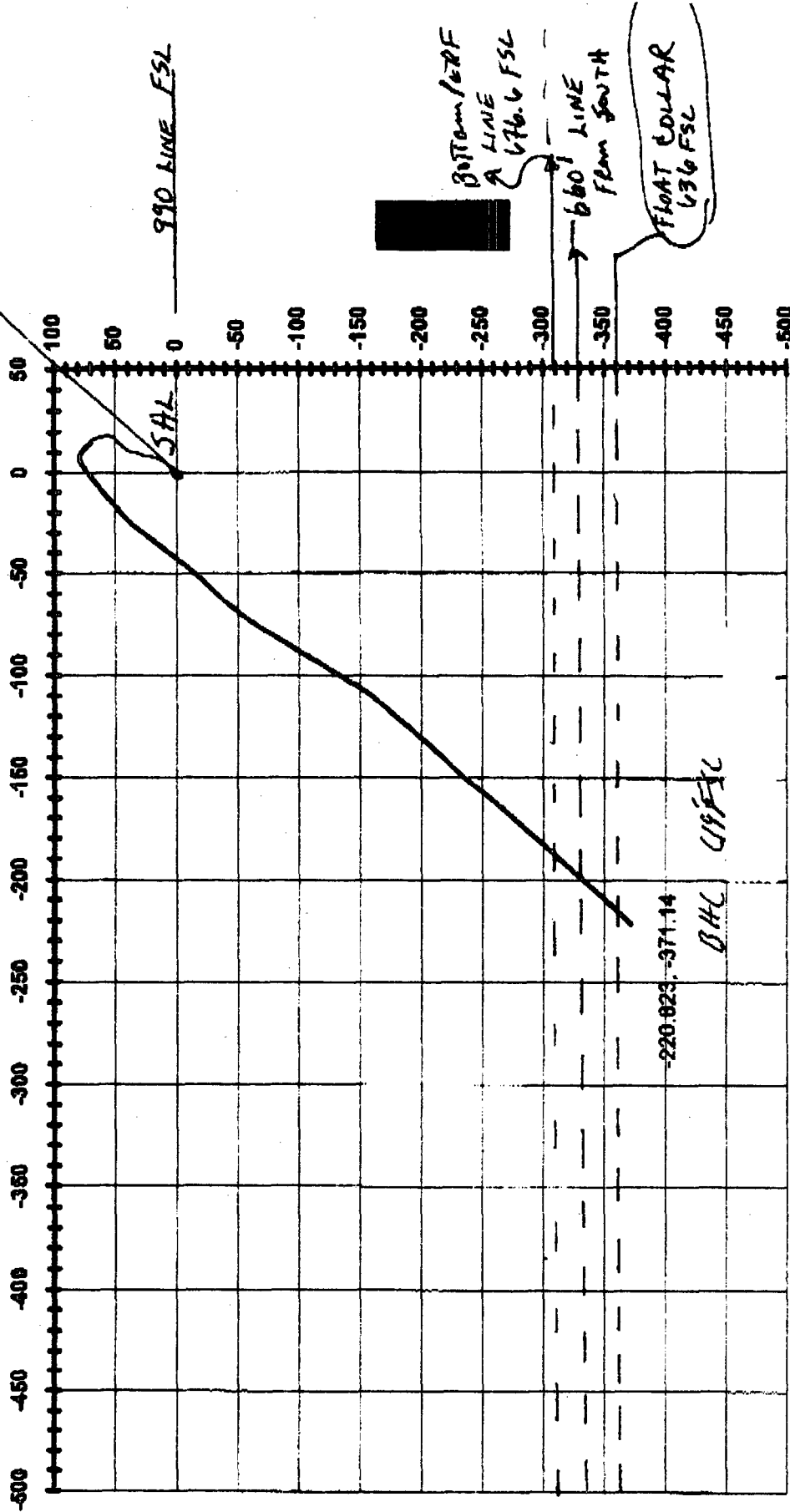
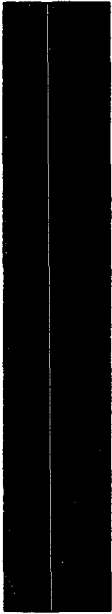
MIN. CURVATURE CALCULATIONS

SUR NUM	MD ft	INCL °	AZM. °	TVD ft	N-S ft	E-W ft	SECT. ft	CLS ft/100 ft	TEMP ° F
Tie-in	5300.0	1.64	337.6	5299.3	69.8	15.1	-67.3	0.00	
1	5371.0	1.90	335.0	5370.3	71.8	14.2	-68.5	0.38	
2	5403.0	1.90	335.8	5402.2	72.8	13.8	-69.1	0.08	
3	5433.0	1.90	334.9	5432.2	73.7	13.4	-69.6	0.10	
4	5464.0	1.90	323.0	5463.2	74.6	12.8	-70.1	1.27	
5	5494.0	1.90	327.4	5493.2	75.4	12.3	-70.5	0.49	
6	5525.0	1.90	326.1	5524.2	76.2	11.7	-70.9	0.14	
7	5557.0	1.40	323.1	5556.2	77.0	11.2	-71.3	1.59	
8	5588.0	1.80	319.6	5587.2	77.7	10.6	-71.6	1.33	
9	5619.0	1.70	318.5	5618.1	78.4	10.0	-71.9	0.34	
10	5651.0	1.60	318.5	5650.1	79.1	9.4	-72.1	0.31	
11	5683.0	1.80	297.2	5682.1	79.6	8.7	-72.2	2.06	
12	5715.0	3.00	248.6	5714.1	79.5	7.4	-71.5	7.05	
13	5747.0	5.00	227.7	5746.0	78.3	5.6	-69.5	7.64	
14	5810.0	7.30	221.5	5808.6	73.5	0.9	-62.9	3.79	
15	5905.0	7.80	217.3	5902.8	63.9	-6.9	-50.7	0.65	
16	5968.0	8.30	215.3	5965.2	56.9	-12.0	-42.0	1.19	
17	6031.0	8.70	218.0	6027.5	49.4	-17.6	-32.7	0.90	
18	6124.0	8.80	206.6	6119.5	37.5	-25.1	-18.7	1.86	
19	6219.0	9.60	205.2	6213.2	23.9	-31.7	-3.6	0.87	
20	6282.0	11.00	204.6	6275.2	13.7	-36.5	7.6	2.23	
21	6345.0	11.10	204.4	6337.1	2.7	-41.5	19.6	0.17	
22	6435.0	10.80	207.2	6425.4	-12.7	-48.9	36.6	0.68	
23	6530.0	10.20	210.8	6518.8	-27.9	-57.3	53.9	0.94	
24	6623.0	11.00	206.5	6610.2	-42.9	-65.5	71.0	1.21	
25	6747.0	12.80	200.9	6731.6	-66.3	-75.6	96.2	1.72	
26	6871.0	15.00	198.7	6851.9	-94.3	-85.7	125.3	1.82	
27	6964.0	13.80	200.5	6942.0	-116.1	-93.4	147.9	1.38	
28	7057.0	13.30	199.9	7032.4	-136.6	-101.0	169.3	0.56	
29	7134.0	12.90	199.9	7107.4	-153.0	-106.9	186.4	0.52	
30	7228.0	14.40	209.7	7198.8	-173.0	-116.3	208.3	2.93	
31	7322.0	15.40	206.0	7289.6	-194.4	-127.5	232.4	1.47	
32	7384.0	15.30	207.4	7349.4	-209.0	-134.9	248.7	0.62	
33	7445.0	12.90	211.9	7408.6	-222.0	-142.2	263.6	4.32	
34	7507.0	13.30	208.4	7469.0	-234.1	-149.3	277.6	1.43	
35	7569.0	14.20	202.9	7529.2	-247.4	-155.6	292.3	2.56	
36	7632.0	14.10	206.8	7590.3	-261.4	-162.1	307.5	1.52	
37	7662.0	14.70	208.4	7619.3	-268.0	-165.5	315.0	2.40	
38	7725.0	16.10	207.6	7680.1	-282.7	-173.4	331.7	2.25	
39	7819.0	16.50	207.4	7770.3	-306.1	-185.6	358.0	0.43	
40	7910.0	15.70	208.3	7857.7	-328.5	-197.3	383.1	0.92	
41	8004.0	14.70	208.7	7948.4	-350.1	-209.1	407.7	1.07	
42	8057.0	14.60	209.2	7999.7	-361.8	-215.6	421.1	0.45	
BIT	8100.0	14.30	209.7	8041.4	-371.1	-220.8	431.8	0.55	

lowest perf
7849' →

PLAN VIEW

SHA - 990 FSL
1980 FWL



Bottom PERF - MD - 7,849' - TVD - 7,799' (676.6 FSL)
Plug back depth - Float Collar - MD - 8019' - TVD - 7963' (636.6 FSL)



UNITED GeoCom Drilling Services

A Computalog Ltd. & Geoservices N.A. Ltd. Joint Venture

Survey Report

OPERATOR:	Nearburg Producing Co.	START:
WELL:	S. Boyd 27 # 12 ST	FINISH:
LOCATION:	Eddy County, NM	

PROPOSED DIRECTION: 211.83

MIN. CURVATURE CALCULATIONS

SUR NUM	MD ft	INCL. °	AZM. °	TVD ft	N-S ft	E-W ft	SECT. ft	DLB %/100 ft	TEMP ° F
survey	7819.0	16.50	207.4	7770.3	-306.1	-185.6	358.0	0.00	
projection	7820.0	16.49	207.4	7771.3	-306.4	-185.7	358.2	0.92	
projection	7821.0	16.48	207.4	7772.2	-306.6	-185.9	358.5	0.92	
projection	7822.0	16.47	207.4	7773.2	-306.9	-186.0	358.8	0.92	
projection	7823.0	16.46	207.4	7774.1	-307.1	-186.1	359.1	0.92	
projection	7824.0	16.46	207.4	7775.1	-307.4	-186.3	359.4	0.92	
projection	7825.0	16.45	207.5	7776.1	-307.6	-186.4	359.6	0.92	
projection	7826.0	16.44	207.5	7777.0	-307.9	-186.5	359.9	0.92	
projection	7827.0	16.43	207.5	7778.0	-308.1	-186.6	360.2	0.92	
projection	7828.0	16.42	207.5	7778.9	-308.4	-186.8	360.5	0.92	
projection	7829.0	16.41	207.5	7779.9	-308.6	-186.9	360.8	0.92	
projection	7830.0	16.40	207.5	7780.8	-308.9	-187.0	361.1	0.92	
projection	7831.0	16.39	207.5	7781.8	-309.1	-187.2	361.3	0.92	
projection	7832.0	16.39	207.5	7782.8	-309.4	-187.3	361.6	0.92	
projection	7833.0	16.38	207.5	7783.7	-309.6	-187.4	361.9	0.92	
projection	7834.0	16.37	207.5	7784.7	-309.9	-187.6	362.2	0.92	
projection	7835.0	16.36	207.6	7785.6	-310.1	-187.7	362.5	0.92	
projection	7836.0	16.35	207.6	7786.6	-310.4	-187.8	362.7	0.92	
projection	7837.0	16.34	207.6	7787.6	-310.6	-187.9	363.0	0.92	
projection	7838.0	16.33	207.6	7788.5	-310.9	-188.1	363.3	0.92	
projection	7839.0	16.32	207.6	7789.5	-311.1	-188.2	363.6	0.92	
projection	7840.0	16.32	207.6	7790.4	-311.4	-188.3	363.9	0.92	
projection	7841.0	16.31	207.6	7791.4	-311.6	-188.5	364.1	0.92	
projection	7842.0	16.30	207.6	7792.4	-311.9	-188.6	364.4	0.92	
projection	7843.0	16.29	207.6	7793.3	-312.1	-188.7	364.7	0.92	
projection	7844.0	16.28	207.6	7794.3	-312.4	-188.9	365.0	0.92	
projection	7845.0	16.27	207.7	7795.2	-312.6	-189.0	365.3	0.92	
projection	7846.0	16.26	207.7	7796.2	-312.9	-189.1	365.5	0.92	
projection	7847.0	16.25	207.7	7797.2	-313.1	-189.3	365.8	0.92	
projection	7848.0	16.24	207.7	7798.1	-313.3	-189.4	366.1	0.92	
projection	7849.0	16.24	207.7	7799.1	-313.6	-189.5	366.4	0.92	
projection	7850.0	16.23	207.7	7800.0	-313.8	-189.6	366.7	0.92	
projection	7851.0	16.22	207.7	7801.0	-314.1	-189.8	366.9	0.92	
projection	7852.0	16.21	207.7	7802.0	-314.3	-189.9	367.2	0.92	
projection	7853.0	16.20	207.7	7802.9	-314.6	-190.0	367.5	0.92	
projection	7854.0	16.19	207.7	7803.9	-314.8	-190.2	367.8	0.92	
projection	7855.0	16.18	207.8	7804.8	-315.1	-190.3	368.1	0.92	

Bottom
Ref
X



UNITED GeoCom Drilling Services

A Computalog Ltd. & Geoservices N.A. Ltd. Joint Venture

Survey Report

OPERATOR: Nearburg Producing Co.

START:

WELL: S. Boyd 27 # 12 ST

Projections

FINISH:

LOCATION: Eddy County, NM

PROPOSED DIRECTION: 211.83

MIN. CURVATURE CALCULATIONS

SUR NUM	MD R	INCL °	AZM. °	TVD R	N-S R	E-W R	SECT. R	DLS '/100 R	TEMP ° F
survey	8004.0	14.70	208.7	7948.8	-350.1	-209.1	407.7	0.00	
projection	8005.0	14.70	208.7	7949.8	-350.3	-209.2	408.0	0.45	
projection	8006.0	14.69	208.7	7950.7	-350.5	-209.3	408.2	0.45	
projection	8007.0	14.69	208.7	7951.7	-350.8	-209.5	408.5	0.45	
projection	8008.0	14.68	208.7	7952.7	-351.0	-209.6	408.7	0.45	
projection	8009.0	14.68	208.7	7953.6	-351.2	-209.7	409.0	0.45	
projection	8010.0	14.68	208.8	7954.6	-351.4	-209.8	409.2	0.45	
projection	8011.0	14.67	208.8	7955.6	-351.7	-210.0	409.5	0.45	
projection	8012.0	14.67	208.8	7956.5	-351.9	-210.1	409.8	0.45	
projection	8013.0	14.67	208.8	7957.5	-352.1	-210.2	410.0	0.45	
projection	8014.0	14.66	208.8	7958.5	-352.3	-210.3	410.3	0.45	
projection	8015.0	14.66	208.8	7959.4	-352.5	-210.4	410.5	0.45	
projection	8016.0	14.65	208.8	7960.4	-352.8	-210.6	410.8	0.45	
projection	8017.0	14.65	208.8	7961.4	-353.0	-210.7	411.0	0.45	
projection	8018.0	14.65	208.8	7962.3	-353.2	-210.8	411.3	0.45	
projection	8019.0	14.64	208.8	7963.3	-353.4	-210.9	411.5	0.45	
projection	8020.0	14.64	208.9	7964.3	-353.7	-211.1	411.8	0.45	
projection	8021.0	14.64	208.9	7965.2	-353.9	-211.2	412.0	0.45	
projection	8022.0	14.63	208.9	7966.2	-354.1	-211.3	412.3	0.45	
projection	8023.0	14.63	208.9	7967.2	-354.3	-211.4	412.5	0.45	
projection	8024.0	14.62	208.9	7968.1	-354.5	-211.5	412.8	0.45	
projection	8025.0	14.62	208.9	7969.1	-354.8	-211.7	413.0	0.45	
projection	8026.0	14.62	208.9	7970.1	-355.0	-211.8	413.3	0.45	
projection	8027.0	14.61	208.9	7971.1	-355.2	-211.9	413.5	0.45	
projection	8028.0	14.61	208.9	7972.0	-355.4	-212.0	413.8	0.45	
projection	8029.0	14.61	208.9	7973.0	-355.6	-212.1	414.0	0.45	
projection	8030.0	14.60	208.9	7974.0	-355.9	-212.3	414.3	0.45	
projection	8031.0	14.60	209.0	7974.9	-356.1	-212.4	414.5	0.45	
projection	8032.0	14.59	209.0	7975.9	-356.3	-212.5	414.8	0.45	
projection	8033.0	14.59	209.0	7976.9	-356.5	-212.6	415.1	0.45	
projection	8034.0	14.59	209.0	7977.8	-356.7	-212.8	415.3	0.45	
projection	8035.0	14.58	209.0	7978.8	-357.0	-212.9	415.6	0.45	
projection	8036.0	14.58	209.0	7979.8	-357.2	-213.0	415.8	0.45	
projection	8037.0	14.57	209.0	7980.7	-357.4	-213.1	416.1	0.45	
projection	8038.0	14.57	209.0	7981.7	-357.6	-213.2	416.3	0.45	
projection	8039.0	14.57	209.0	7982.7	-357.8	-213.4	416.6	0.45	
projection	8040.0	14.56	209.0	7983.6	-358.1	-213.5	416.8	0.45	

Flag
Callon
*

EXHIBIT D

AFFECTED PARTIES

Application of Nearburg Exploration Company, L.L.C. for
administrative approval of an unorthodox well location
South Boyd "27" State Well No. 12
636.6 feet from the South line and 1769.1 feet from the West line
Section 27, Township 19 South, Range 25 East, NMPM
Eddy County, New Mexico

Mewbourne Oil Company
Post Office Box 7698
Tyler, Texas 75711

Unit Petroleum Company
Post Office Box 702500
Tulsa, Oklahoma 74120

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

May __, 2000

Nearburg Exploration Company, L.L.C.
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705

Attention: Bob Shelton

Administrative Order NSL-_____

Dear Mr. Shelton:

Reference is made to your application dated May 15, 2000, for an unorthodox bottomhole well location in the Cisco Canyon formation for your South Boyd "27" State Well No.12. Said well has been drilled to a bottom hole location in the Cisco Canyon formation 636.6 feet from the South line and 1769.1 feet from the West line (Unit N) of Section 27, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

A 160-acre spacing and proration unit in the Cisco Canyon formation comprising the SW/4 of said Section 27 is to be dedicated to said well.

By authority granted me under the provisions of Rule 104.F(2) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the New Mexico Oil Conservation Commission in Case 11,351 on January 18, 1996, the above-described unorthodox well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

cc: Oil Conservation Division - Hobbs/Artesia
U. S. Bureau of Land Management - Carlsbad