

NSL 3/18/97

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

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R. OWEN

JACK M. CAMPBELL
OF COUNSEL

NSL - GAS. NY

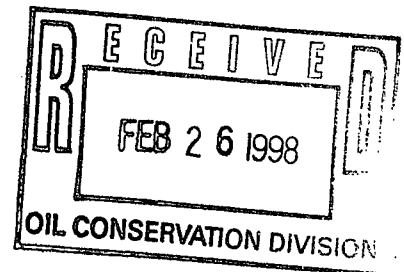
JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

February 26, 1998

30-085-24979

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 Well Location for its Dark Canyon "22" Com Well No. 1, located 990 feet from the North line and 1650 feet from the West line of Section 22, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico*

Dear Ms. Wrotenbery:

Nearburg Exploration Company, L. L. C. hereby seeks administrative approval pursuant to the provisions of Rule 2 of the Special Rules and Regulations for the South Carlsbad-Morrow Gas Pool, adopted on June 30, 1972, of an unorthodox well location for its Dark Canyon "22" Com Well No. 1 to be drilled 990 feet from the North line and 1650 feet from the West line of Section 22, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico. The N/2 of Section 22 will be dedicated to the well.

The well will be drilled to a depth sufficient to test the Morrow formation in the Undesignated South Carlsbad-Morrow Gas Pool. This location in the Morrow formation is unorthodox because it is governed by the Special Rules and Regulations for the South Carlsbad-Morrow Gas Pool which provide for wells on 320-acre spacing units to be located no closer than 660 feet to the nearest side boundary of the dedicated tract nor closer than 1980 feet to the nearest end boundary.

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources

February 26, 1998

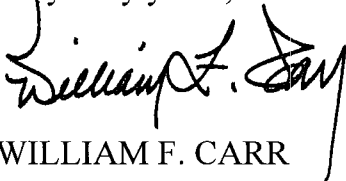
Page 2

This unorthodox location is required by geologic conditions in the Morrow formation. Attached hereto as Exhibit A is an Isopach Map of the Morrow "B" Gross Sand "Beretta Sand" which shows the proposed unorthodox well location and immediately offsetting wells. This exhibit demonstrates that moving to the proposed unorthodox well location results in a substantial gain in reservoir thickness.

Attached hereto as Exhibit B is a plat showing the subject spacing unit, the proposed unorthodox well location, the offsetting wells and the diagonal and adjoining spacing units.

Exhibit C lists parties affected by this application. On or before the date on which this application was filed with the Division, a copy of this application with all attachments thereto was mailed to each of the affected parties by Certified Mail -- Return Receipt Requested. Each of the affected parties was advised that if they have an objection to the proposed unorthodox well location it must be filed in writing with the Division's Santa Fe office within twenty days from the date notice was sent. They were also advised that if no objections were received by the Division within twenty days, the Division Director could approve the application.

Very truly yours,

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

WILLIAM F. CARR

cc: Duke Roush
Nearburg Exploration Company, L.L.C.

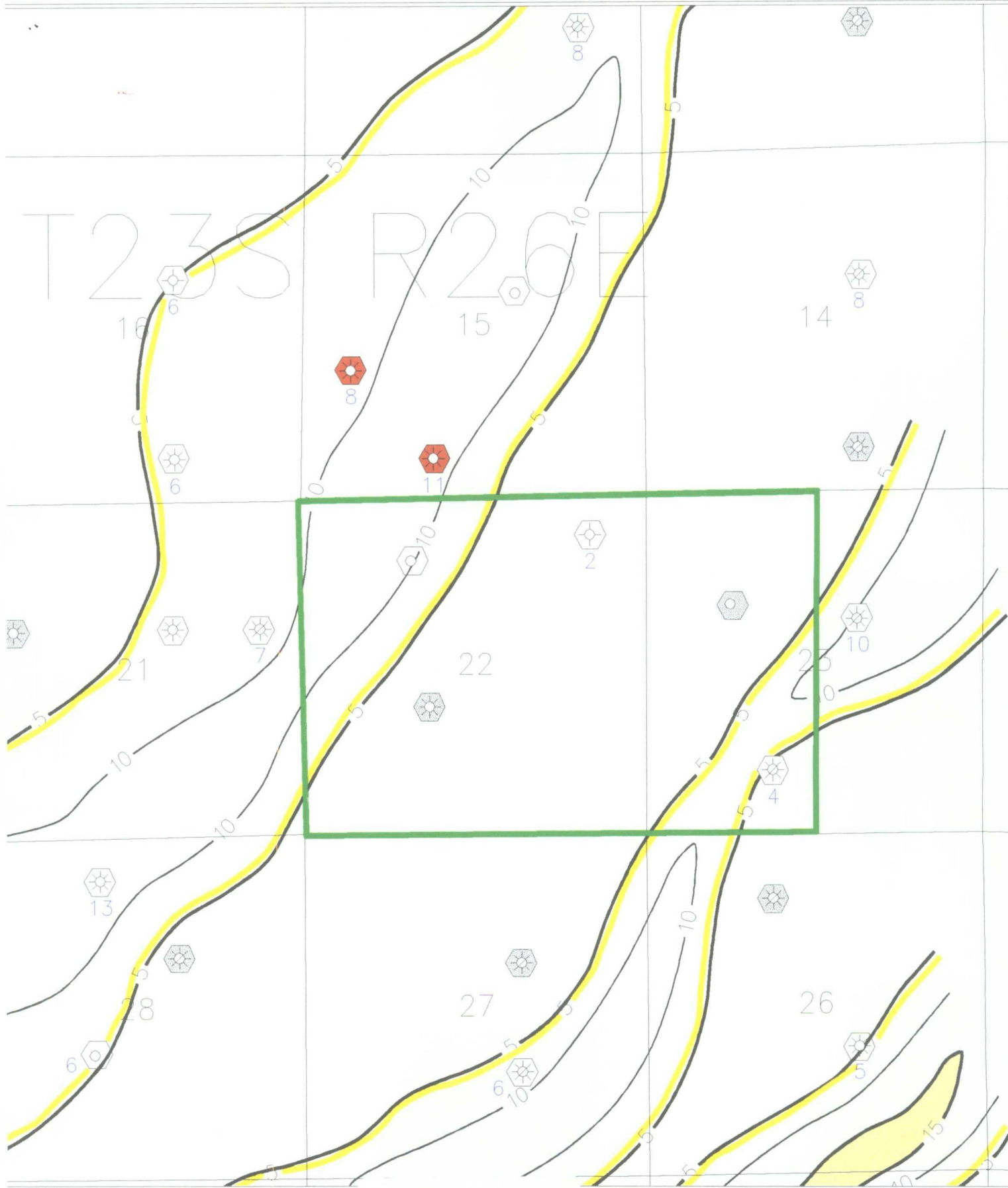
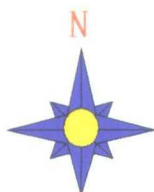


EXHIBIT A



Scale 1:24000.

0. 1000. 2000. 3000. 4000. 5000. feet

LEGEND

- BERETTA SAND PRODUCER
- NO SAND/SHALE
- NPC LEASEHOLD

Nearburg Producing Company
Exploration and Production
Midland, Texas

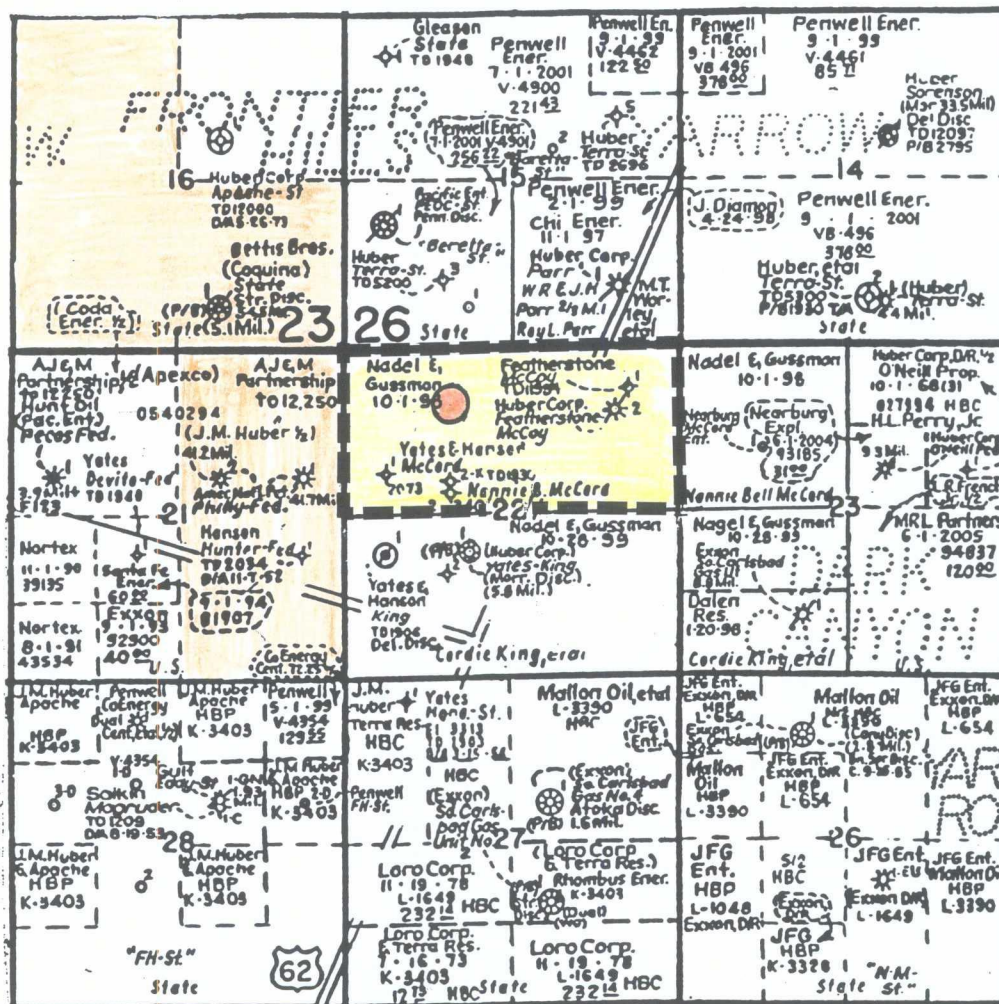
DARK CANYON PROSPECT
EDDY COUNTY, NEW MEXICO

ISOPACH MAP
MORROW "B" GROSS SS
"BERETTA SAND"

C.I. = 5'

GEOLOGIST	DATE	DRAWN BY	FILE NO.
J. B. ELGER	2/98	NKM /LCG	morbta.gpf

Dark Canyon "22" Com #1 Well
1650' FWL, 990' FNL Section 22
T-23-S, R-26-E
Eddy, New Mexico






-  Proration unit
-  Affected Acreage
-  Location

EXHIBIT C

AFFECTED PARTIES

Application of Nearburg Exploration Company, L.L.C. for
administrative approval of an unorthodox well location
Dark Canyon "22" Com Well No. 1
990 feet from the North line and 1650 feet from the West line
Section 22, Township 23 South, Range 26 East, NMPM
Eddy, New Mexico

Unit Petroleum Company
Post Office Box 702500
Tulsa, Oklahoma 74170
Attn: Leslie J. Naughton

Bettis Brothers, Inc.
550 West Texas, Suite 830
Midland, Texas 79701
Attn: Harry M. Bettis, Jr.

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February 26, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Unit Petroleum Company
Post Office Box 702500
Tulsa, Oklahoma 74170
Attn: Leslie J. Naughton

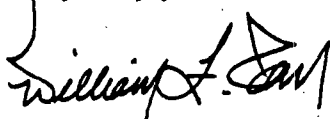
Re: *Application of Nearburg Exploration Company, L.L.C., for administrative approval of an unorthodox well location for its Dark Canyon "22" Com Well No. 1, 990 feet from the North line and 1650 feet from the West line of Section 22, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico*

Dear Ms. Naughton:

Enclosed is a copy of the above-referenced application which was filed with the Oil Conservation Division on this date by Nearburg Exploration Company, L.L.C. for administrative approval of an unorthodox well location for its proposed Dark Canyon "22" Com Well No. 1, to be drilled in the Undesignated South Carlsbad-Morrow Gas Pool, 990 feet from the North line and 1650 feet from the West line of Section 22, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico.

As the owner of an interest which will be affected by the proposed well, you may object to this application. Objections must be filed in writing at the Division's Santa Fe office within twenty days from the date this notice was sent to you. If no objection is received within twenty days after the Division Director receives this application, the unorthodox location may be approved.

Very truly yours,



WILLIAM F. CARR

Enc.

cc: Mr. Duke Roush

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& SHERIDAN, P.A.
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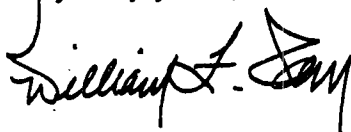
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Dear Mr. Bettis:

Enclosed is a copy of the above-referenced application which was filed with the Oil Conservation Division on this date by Nearburg Exploration Company, L.L.C. for administrative approval of an unorthodox well location for its proposed Dark Canyon "22" Com Well No. 1, to be drilled in the Undesignated South Carlsbad-Morrow Gas Pool, 990 feet from the North line and 1650 feet from the West line of Section 22, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico.

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Very truly yours,



WILLIAM F. CARR

Enc.

cc: Mr. Duke Roush

TRANSMITTAL COVER SHEET

**OIL CONSERVATION DIVISION
ENGINEERING BUREAU
(505) 827-7131 (OFFICE)
(505) 827-1389 (FAX)**

PLEASE DELIVER THIS FAX TO:

TO:

Bill Carr

FROM:

Kathy - OCD

SUBJECT:

NSL-3979

DATE:

3/24/98

PAGES:

3

(INCLUDING COVER SHEET)

**IF YOU HAVE ANY PROBLEMS RECEIVING THIS FAX, PLEASE CALL THE
OFFICE NUMBER ABOVE.**