

5/22/98 6/11/98 MS KV NSL

ABOVE THIS LINE FOR DIVISION USE ONLY

# NEW MEXICO OIL CONSERVATION DIVISION

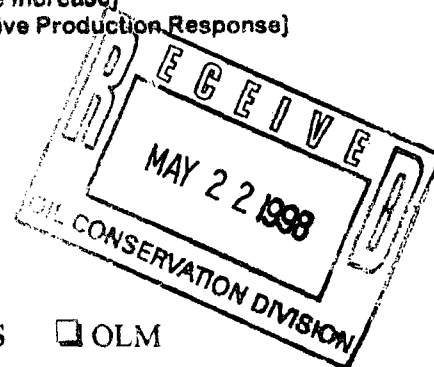
- Engineering Bureau -

## 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]



### [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] or [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 further verify that all applicable API Numbers are included. 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.

Print or Type Name

Signature

Title

Date

James [Signature] Attorney for Applicant 5/22/98

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

SUITE B  
612 OLD SANTA FE TRAIL  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

May 22, 1998

Hand Delivered

Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

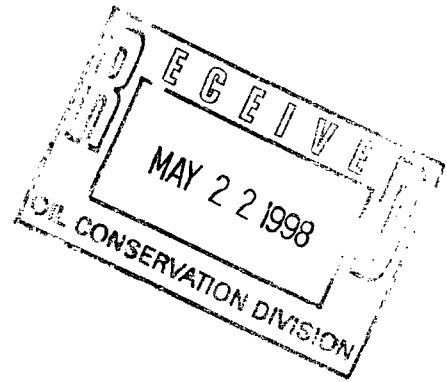
Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Nearburg Exploration Company, L.L.C. ("Nearburg") applies for administrative approval of an unorthodox gas well location for the following well:

Crow Flats "10" Fed. Com. Well No. 1  
2310 feet FNL & 1310 feet FEL  
E½ S10, Township 16 South, Range 28 East, NMPM  
Eddy County, New Mexico

The well will be drilled to test the Morrow formation, and the E½ of Section 10 will be dedicated to the well. The well is a wildcat Morrow test, and is spaced on statewide rules, requiring that wells be no closer than 1650 feet to the end line of a well unit and 660 feet to the side line of a unit, and no closer than 330 feet to a quarter-quarter section line. The location is unorthodox because it is too close to a quarter-quarter section line. Attached hereto as Exhibit A is a Form C-102 for the well.

The proposed location is based on geologic (geophysical) reasons. Attached as Exhibit B is an isopach of the Lower Morrow "C" sand, the primary zone of interest. The isopach shows where the sand is believed to be deposited, and three seismic lines. The tan portions of the lines are where the Morrow is present, and the uncolored portions of the lines are where no Morrow is present. The proposed location is centrally located where all seismic three lines indicate the Morrow sand will be present. Nearburg believes that the proposed location minimizes the risk involved in drilling the well, especially since there are several dry holes in the immediate area of the proposed well.



Because the well is only moving toward an interior unit boundary, notice is not required to be given to anyone. **Therefore, Nearburg requests that the 20 day notice period be waived.**

This application is submitted in duplicate. Please call me if you need anything further regarding this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for Nearburg  
Exploration Company, L.L.C.

cc: Duke Roush

DISTRICT I  
P.O. Box 1960, Hobbs, NM 88241-1960

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-30168	Pool Code	Pool Name Wildcat
Property Code	Property Name CROW FLATS "10" FEDERAL COM	Well Number 1
OGRID No. 15742	Operator Name NEARBURG PRODUCING COMPANY	Elevation 3593

Surface Location

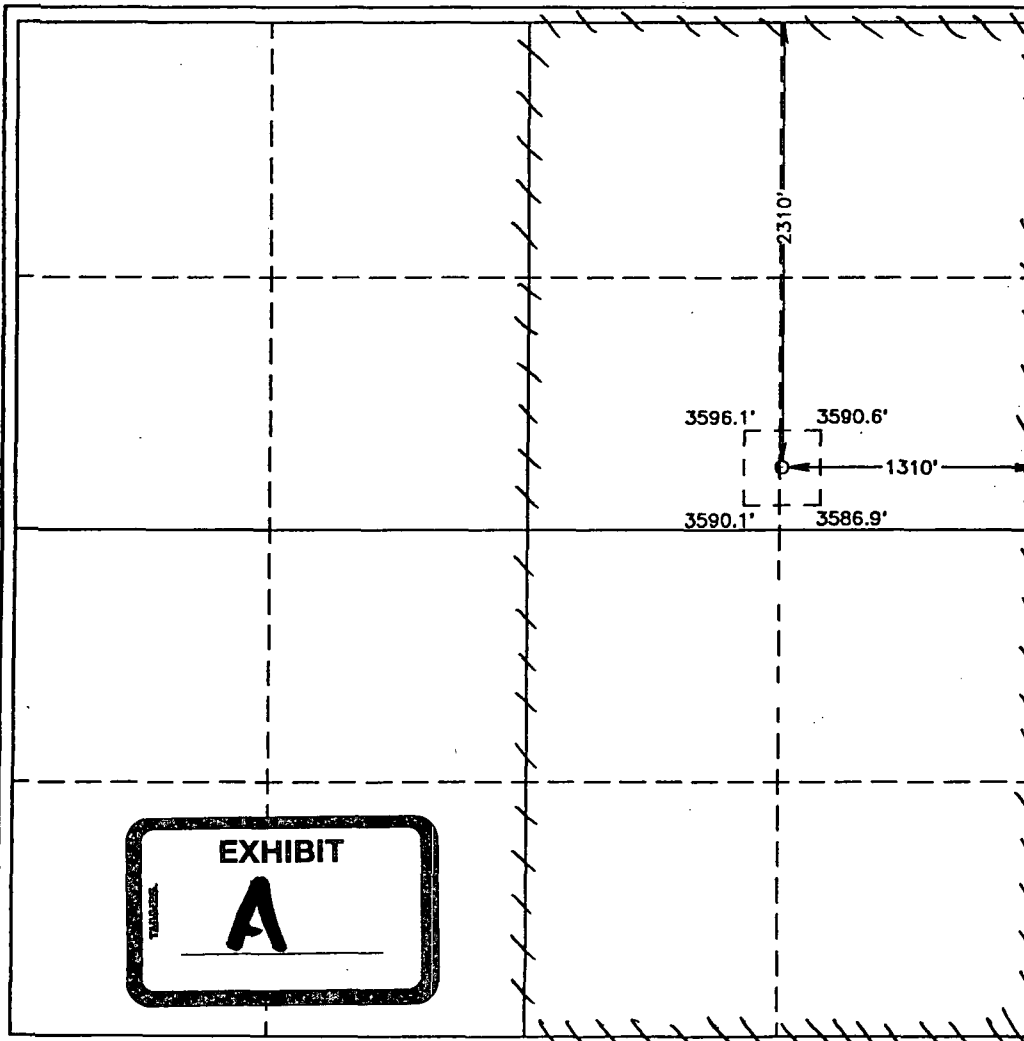
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	10	16 S	28 E		2310	NORTH	1310	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320	N		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify the the information  
contained herein is true and complete to the  
best of my knowledge and belief.

Signature

E. Scott Kimbrough

Printed Name

Manager of Drld & Prod.

Title

3/2/98

Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown  
on this plat was plotted from field notes of  
actual surveys made by me or under my  
supervision, and that the same is true and  
correct to the best of my belief.

DECEMBER 16, 1997

Date Surveyed

JLP

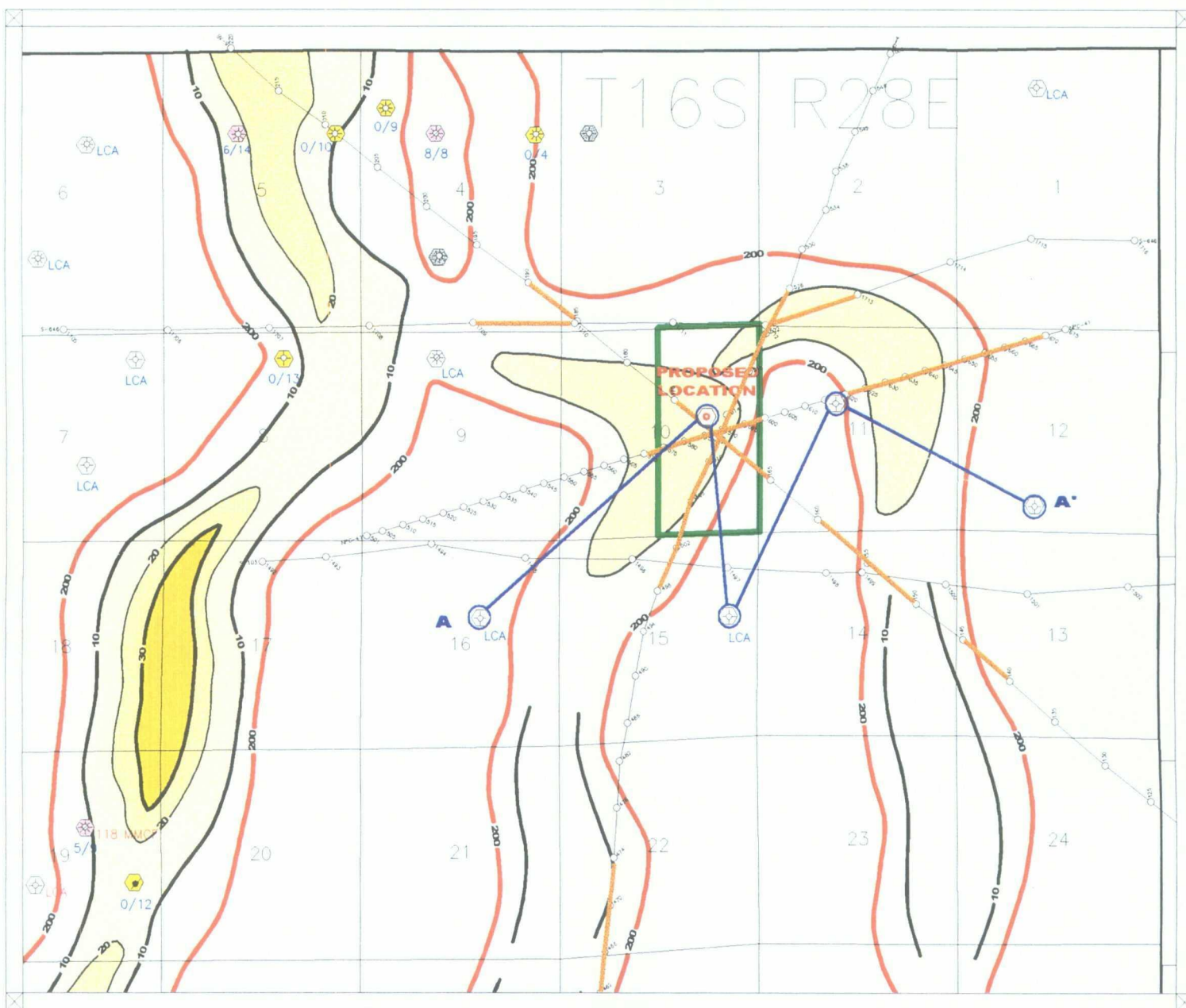
Signature of Registered Professional Surveyor

RONALD S. EDSON

12-17-97

P.O. Num. 97-122042

Certificate No. RONALD S. EDSON, 3239  
OAKLAND, 12641  
EDSON, 12185



#### LEGEND

- SEISMIC ATOKA-CHESTER THICKS  
(CALCULATED BY CONVERTING  
ISOCHRON TIMES)
- GROSS MORROW THICKNESS > 200'

#### LEGEND

- LCA LOWER "C" ABSENT
- LOWER MORROW ABSENT
- LOWER MORROW "C" SHALE
- LOWER "C" TIGHT SAND
- LOWER "C" POROUS SAND
- NPC LEASEHOLD



Scale 1:48000.

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

#### Nearburg Producing Company

Exploration and Production  
Midland, Texas

Geological  
Figure 2

**CROW FLATS 98 PROSPECT**  
**EDDY COUNTY, NEW MEXICO**

**MORROW LOWER "C"**  
**GROSS SAND ISOPACH MAP**

C. I. = 10'

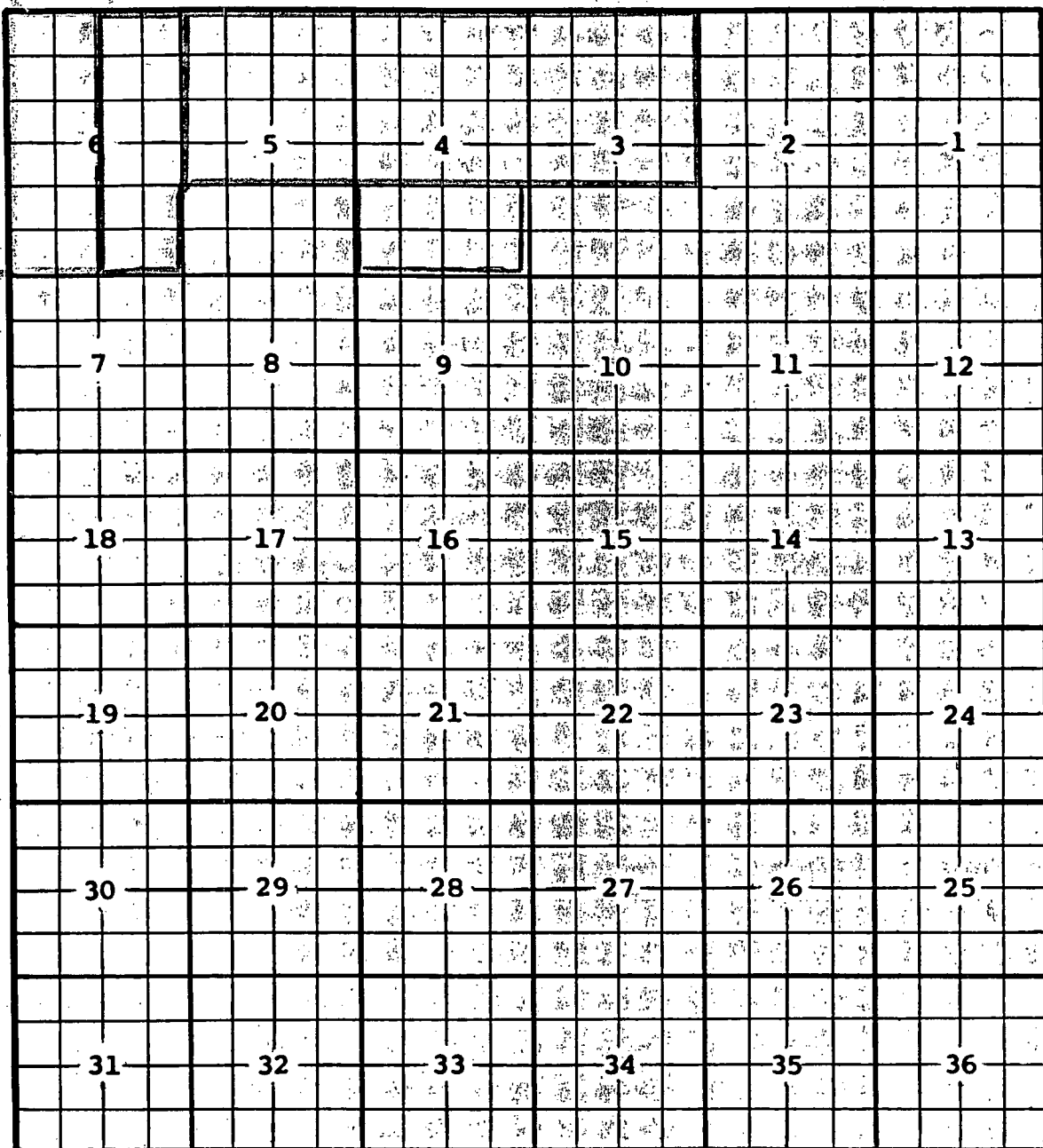
GEOLOGIST	DATE	DRAWN BY	FILE NO.
J. B. ELGER	3/98	NKM / LCG	isolcgds.gpf

EXHIBIT

**B**

COUNTY *Eddy*POOL *Diamond Mound - Morrow Gas*TOWNSHIP *16 South*RANGE *28 East*

NMPM

Re-defined From Diamond Mound - Morrow - Atoka Gas Pool

Description: Lot 1 thru 16 sec 3, Lots 1 thru 16 sec 4, Lots 1 thru 16 sec 5,  
~~1 thru 16~~ (R-8892, 3-20-89) EXT: E/2 SEC 6 (R-9176, 6-1-90)  
Ext: 5/2 Sec. 4 (R-9578, 9-10-91)