

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

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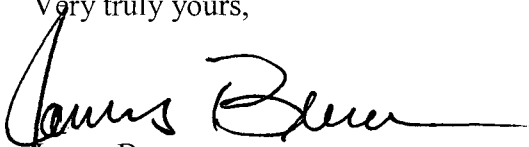
July 10, 2007

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Nearburg Exploration Company, L.L.C., are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the August 9, 2007 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Nadel and Gussman Permian, L.L.C.

Parties Being Pooled

Kenneth Cone
P.O. Box 11310
Midland, Texas 79702

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF NEARBURG EXPLORATION
COMPANY, L.L.C. FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

Case No. _____

APPLICATION

Nearburg Exploration Company, L.L.C. applies for an order pooling all mineral interests from the surface to the base of the Drinkard formation underlying the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30, Township 16 South, Range 39 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

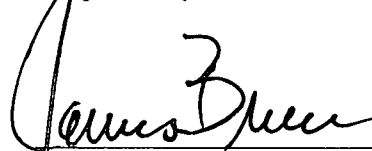
1. Applicant is an interest owner in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30, and has the right to drill a well thereon.
2. Applicant proposes to drill its Cone 30 Fee Well No. 1, at an orthodox location in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30, to a depth sufficient to test the Drinkard formation, and seeks to dedicate the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30 to the well to form a standard 40 acre oil and spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30, pursuant to NMSA 1978 §70-2-17.

5. The granting of this application will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30, from the surface to the base of the Drinkard formation;
- B. Designating Nearburg Producing Company as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

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

Proposed Advertisement

Case No. _____: Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Drinkard formation underlying the SW/4SW/4 of Section 30, Township 16 South, Range 39 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit is to be dedicated to the Cone 30 Fee Well No. 1, located at an orthodox location in the SW/4SW/4 of Section 30. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as operator of the proposed well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9-1/2 miles northwest of Humble City, New Mexico.

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- Print your name and address on the reverse so that we can return the card to you.
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Mr. Kenneth Cone
P. O. Box 11310
Midland, Texas 79702

2. Article Number

(Transfer from service label)

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PS Form 3811, February 2004

Domestic Return Receipt

102595-0.2-M-1540

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City, State, ZIP+4

Midland, TX 79702

PS Form 3800, June 2002

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