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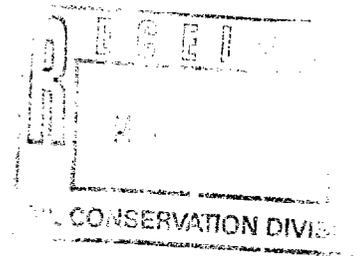
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May 21, 1996

**HAND-DELIVERED**

William J. LeMay, 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 an Unorthodox  
Well Location, Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Nearburg Exploration Company, L.L.C., please find enclosed our Application for an unorthodox gas well location which we request be set for hearing on the next available Examiner docket now scheduled for June 13, 1996. Also enclosed is our proposed legal advertisement.

Very truly yours,

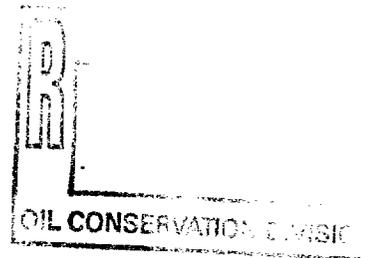
WILLIAM F. CARR

WFC:mlh

Enclosure

cc: Mr. Bob Shelton (w/enclosures)

BEFORE THE  
OIL CONSERVATION DIVISION



NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF NEARBURG PRODUCING COMPANY, L.L.C.  
FOR AN UNORTHODOX GAS WELL LOCATION,  
LEA COUNTY, NEW MEXICO.

CASE NO. 11546

**APPLICATION**

NEARBURG PRODUCING COMPANY, L.L.C. ("Nearburg"), through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order approving an unorthodox well location, and in support of this application states:

1. Applicant is the operator of the N/2 SE/4 of Section 36, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and proposes to drill a well to the Strawn formation, Shipp-Strawn Pool, at an unorthodox gas well location 2310 feet from the South line and 660 feet from the East line of said Section 36.
2. Applicant seeks an exception to the Division's well location requirements to permit the drilling of said well in the Strawn formation at the above-described location.
3. A standard 80-acre spacing and proration unit comprised of the N/2 SE/4 of said Section 36 should be dedicated to the well.
4. Approval of this application will afford Nearburg the opportunity to produce its just and equitable share of the reserves in the Strawn formation and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative

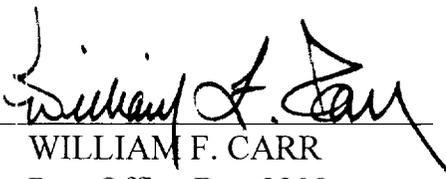
rights.

WHEREFORE, Nearburg Producing Company, L.L.C. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 13, 1996, that notice be given as required by law and the rules of the Division, and that the Division enter its Order granting this application and providing such other relief as is proper.

Respectfully submitted,

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

By:



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