

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. 11554

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:

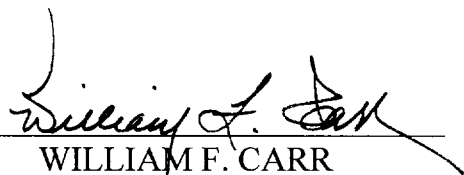
1. Applicant is the operator of the S/2 NE/4 of Section 36, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and proposes to drill a well to the Strawn formation, Shipp-Strawn Pool, at an unorthodox gas well location 2310 feet from the North line and 1,200 feet from the East line of 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 S/2 NE/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 27, 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.

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