

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11885
ORDER NO. R-10954

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 22, 1998, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 4th day of February, 1998 the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Nearburg Exploration Company, L.L.C., seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 34, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, and in the following manner:

(a) the N/2 to form a standard 320-acre gas spacing and proration unit for any and all pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Halfway-Atoka Gas Pool, Undesignated Halfway-Morrow Gas Pool, Undesignated Hat Mesa-Morrow Gas Pool, and Undesignated South Salt Lake-Morrow Gas Pool;

(b) the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and,

(c) the NE/4 NW/4 (Unit C) to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Hat Mesa-Bone Spring Pool.

(3) Said units are to be dedicated to the applicant's proposed Tomahawk "34" Federal Well No. 1 to be drilled in Unit "C" of said Section 34 at a location that is considered to be "standard" for all three sized units.

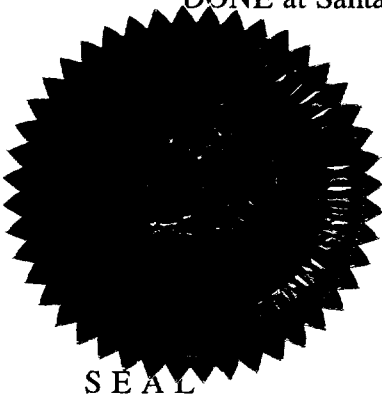
(4) Prior to the hearing, the applicant requested this matter be dismissed.

(5) Dismissal of this case should therefore be granted.

IT IS THEREFORE ORDERED THAT:

Case No. 11885 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

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

KATHLEEN A. GARLAND
Acting Director