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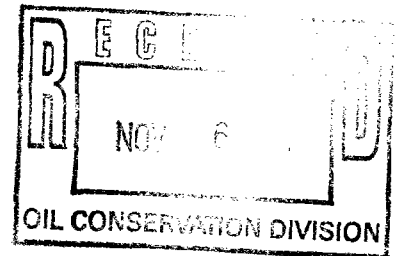
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November 26, 1997

**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

*WC*



Re: Oil Conservation Division Case No. 11893:  
Application of Nearburg Exploration Company, L.L.C. for Compulsory  
Pooling, Lea County, New Mexico

Dear Mr. LeMay:

Nearburg Exploration Company, L.L.C., respectfully requests that this matter which is currently set on the Division docket for the December 4, 1997 hearings be continued to the January 8, 1998 Examiner docket.

Your attention to this matter is appreciated.

Very truly yours,

*William F. Carr*

WILLIAM F. CARR

WFC:mlh

cc: Mr. Michael M. Gray

**CASE 11821:** (Continued from November 20, 1997, Examiner Hearing.)

**Amended application of Paloma Resources Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Strawn formation in the S/2 SW/4 of Section 28, Township 16 South, Range 37 East, forming a standard 80-acre spacing and proration unit in the Undesignated West Casey-Strawn Pool. Said unit is to be dedicated to the Paloma Resources Inc. Shell Oil Company Home Stake Well No. 1 located 660 feet from the South and West lines of said Section 28 (Unit M) which, in accordance with Division Rule 111, is to be a directional wellbore whose Producing Interval will be located within its Producing Area and dedicated to a Project Area consisting of the S/2 SW/4 of Section 28, Township 16 South, Range 37 East. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles north-northwest of Humble City, New Mexico.

**CASE 11891:** **Application of Cobra Oil & Gas Corporation for a unit agreement and an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks approval of the Henard Unit Agreement for an area comprising 80 acres, more or less, of fee lands comprising the SW/4 SE/4 (Unit O) of Section 23 and the NW/4 NE/4 (Unit B) of Section 26, both in Township 11 South, Range 37 East, which is located approximately 6 miles north of Gladiola, New Mexico. Applicant further seeks approval to drill the Unit's initial well to the Undesignated Gladiola-Devonian Pool at an unorthodox oil well location 250 feet from the North line and 2300 feet from the East line (Unit B) of said Section 26. The NW/4 NE/4 of said Section 26 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for said pool.

**CASE 11873:** (Continued from November 6, 1997, Examiner Hearing.)

**Application of Cobra Oil & Gas Corporation for an unorthodox well location, Lea County, New Mexico.** Applicant seeks approval to drill its Cobra Oil & Gas Corporation Gainer Unit Well No. 1 at an unorthodox well location 1294 feet from the North line and 39 feet from the West line (Unit D) of Section 22, Township 10 South, Range 36 East, in the Devonian formation, South Crossroads-Devonian Pool. Said well is located approximately 11 miles north-northeast of Tatum, New Mexico.

**CASE 11892:** **Application of John H. Hendrix Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the top of the San Andres formation to the base of the Abo formation underlying the following described areas in Section 3, Township 20 South, Range 37 East, and in the following manner: the S/2 SW/4 forming a standard 80-acre oil spacing and proration unit for the Monument-Tubb Pool; and the SW/4 SW/4 forming 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. Said units are to be dedicated to its Ellen Weir Well No. 2 which will be drilled at a standard oil well location 330 feet from the South line and 860 feet from the West line (Unit M) of said Section 3. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well. Said area is located approximately 2 miles southeast by south of Monument, New Mexico.

**CASE 11893:** **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 Morrow formation underlying the following described area in Section 16, Township 19 South, Range 33 East, and in the following manner: the E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Tonto-Atoka Gas Pool and the Undesignated Gem-Morrow Gas Pool; the SE/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; the S/2 SE/4 to form a standard 80-acre oil spacing and proration unit for any identifiable pools within said vertical extent that includes 80-acre spacing in the special rules and regulations adopted for said pool; and, the SW/4 SE/4 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 Tonto-Seven Rivers Pool, Undesignated Buffalo-Seven Rivers Pool, Undesignated East Gem-Delaware Pool, Undesignated Tonto-Bone Spring Pool, Undesignated Tonto-Wolfcamp Pool, Undesignated North Gem-Wolfcamp Pool, and Undesignated South Buffalo-Pennsylvanian Pool. Said units are to be dedicated to a single well to be drilled 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 16, which is considered to be an unorthodox gas well location for the proposed 320-acre unit but standard for all other horizons. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well. Said area is located approximately 14.5 miles south-southeast of Maljamar, New Mexico.

**CASE 11876:** (Continued from November 6, 1997, Examiner Hearing.)

**Application of Nearburg Exploration Company, L.L.C. for compulsory pooling and an unorthodox subsurface location for a directional wellbore, Eddy County, New Mexico.** Applicant seeks an order pooling certain owners of mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 11, Township 17 South, Range 25 East and for approval of an unorthodox surface location 660 feet from the North line and 1200 feet from the East line (Unit A) and an unorthodox subsurface location for its proposed Eagle Creek "11" Well No. 1 which is to be a directional wellbore with a bottomhole location approximately 660 feet from the North line and 1980 feet from the East line (Unit B) and with a producing interval not closer than 660 feet to the North line within a project area consisting of the E/2 of Section 11, Township 17 South, Range 25 East, forming a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre gas spacing within said vertical extent, including but not limited to the Eagle Creek-Atoka/Morrow Gas Pool and for the NE/4 of said Section 11 forming a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre gas spacing within said vertical extent, and the NW/4 NE/4 of said Section 11 forming a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre oil spacing within said vertical extent. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 1/4 mile east of the Artesia airport, New Mexico.

**CASE 11877:** (Continued from November 6, 1997, Examiner Hearing - This Case will be Continued to the January 8, 1998, Examiner Hearing.)

**Application of Fasken Land and Minerals, Ltd. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying all of Section 12, Township 23 South, Range 24 East, forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre gas spacing within said vertical extent, which presently may include but is not necessarily limited to the Rock Tank-Upper Morrow Gas Pool and the Rock Tank-Lower Morrow Gas Pool. Said unit is to be dedicated to its Carnero "12" Federal Com Well No. 1 to be drilled and completed at an unorthodox gas well location 500 feet from the North line and 2265 feet from the West line (Unit E) of said Section 12. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Fasken Oil and Ranch, Ltd. as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 15 miles southwest of Carlsbad, New Mexico.

**CASE 11883:** (Continued from November 20, 1997, Examiner Hearing.)

**Application of Marathon Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from 3500 feet (the base of the San Andres formation) to 11,152 feet (the base of the Morrow formation) underlying Lots 1-4, S/2 N/2 (N/2 equivalent) of Irregular Section 4, Township 19 South, Range 28 East, forming a standard 322.32-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently may include but is not necessarily limited to the North Turkey Track-Morrow Gas Pool, and forming a standard 161.04-acre gas spacing and proration unit underlying Lots 1 and 2 and S/2 NE/4 (NE/4 equivalent) of said Section 4 for any and all formations/pools developed on 160-acre gas spacing, and forming a standard 40-acre oil spacing and proration unit underlying the SW/4 NE/4 of said Section 4 for any and all formations/pools developed on 40-acre oil spacing. Said unit is to be dedicated to its Courtman "4" State Well No. 1 to be drilled and completed at a standard gas well location in Unit G of said Section 4. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 9 miles southwest of Loco Hills, New Mexico.

**CASE 11884:** (Continued from November 20, 1997, Examiner Hearing.)

**Application of Marathon Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from 3500 feet (the base of the San Andres formation) to 11,152 feet (the base of the Morrow formation) underlying the S/2 of Section 4, Township 19 South, Range 28 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently may include but is not necessarily limited to the North Turkey Track-Morrow Gas Pool, and forming a standard 160-acre gas spacing and proration unit underlying the SW/4 of said Section 4 for any and all formations/pools developed on 160-acre gas spacing, and forming a standard 40-acre oil spacing and proration unit underlying the NE/4 SW/4 of said Section 4 for any and all formations/pools developed on 40-acre oil spacing. Said unit is to be dedicated to its Mitchusson "4" State Well No. 1 to be drilled and completed at a standard gas well location in Unit K of said Section 4. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 9 miles southwest of Loco Hills, New Mexico.