

BEFORE THE  
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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

CASE NO. 11902

**APPLICATION**

NEARBURG EXPLORATION 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 E/2 of Section 16, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and proposes to drill a well to the Morrow formation, Undesignated Gem-Morrow Gas Pool, at an unorthodox gas well location 660 feet from the South line and 1650 feet from the East line of said Section 16.

2. Applicant seeks an exception to the Division's well location requirements to permit the drilling of said well in the Morrow formation at the above-described location.

3. A standard 320-acre spacing and proration unit comprised of the E/2 of said Section 16 should be dedicated to the well.

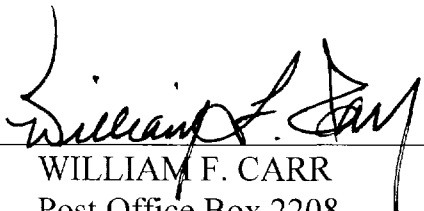
4. Approval of this application will afford Nearburg the opportunity to produce its just and equitable share of the reserves under the subject spacing and proration unit and will otherwise be in the best interest of conservation, the prevention of waste and the

protection of correlative rights.

WHEREFORE, Nearburg Exploration Company, L.L.C. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 8, 1998, that notice be given as required by law and the rules of the Division, and that the Division enter its Order granting this application.

Respectfully submitted,

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

By:   
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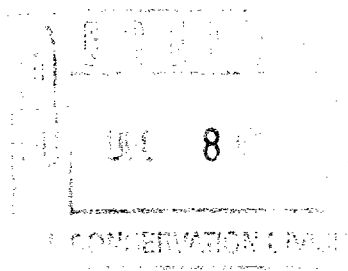
ATTORNEYS FOR NEARBURG  
EXPLORATION COMPANY, L.L.C.

CASE 11902: Application of Nearburg Exploration Company, L.L.C., for an unorthodox well location, Lea County, New Mexico. Applicant in the above-styled cause seeks authorization to drill a well to the Morrow formation, Undesignated Gem-Morrow Gas Pool, at an unorthodox well location 660 feet from the South line and 1650 feet from the East line of Section 16, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. The E/2 of said Section 16 is to be dedicated to said well forming a standard 320-acre spacing and proration unit. Said unit is located approximately 14.5 miles south-south-east of Maljamar, New Mexico.

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

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December 8, 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

1/902

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 January 8, 1998. Also enclosed is our proposed legal advertisement.

Very truly yours,

WILLIAM F. CARR

WFC:mlh

Enclosure

cc: Mr. Michael M. Gray (w/enclosures)