

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

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF NEARBURG EXPLORATION COMPANY, L.L.C.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 11910

APPLICATION

NEARBURG EXPLORATION COMPANY, L.L.C. ("Nearburg"), through its undersigned attorneys, hereby makes application pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all mineral interests in all formations developed on 160-acre spacing in the NE/4, in all formations developed on 80-acre spacing under the S/2 NE/4, and in all formations developed on 40-acre spacing under the SW/4 NE/4 of Section 13, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico, and in support thereof states:

1. Nearburg is a working interest owner in the NE/4 of Section 13 and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Lakewood Farms "13" Well No. 1 to be drilled to a standard location 1650 feet from the North and East lines of said Section 13, to a depth sufficient to test any and all formations to the base of the Cisco Canyon formation, North Dagger Draw-Upper Pennsylvanian Pool.
3. Applicant has sought and been unable to obtain either voluntary agreement or farmout from certain interest owners in the subject spacing units identified on Exhibit A to

this application.

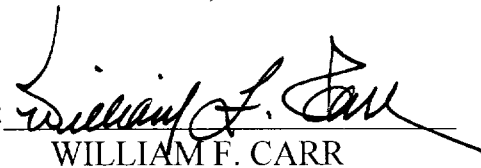
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Nearburg Producing Company should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before an Examiner of the Oil Conservation Division on January 22, 1998 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well.

Respectfully submitted,

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

By: 
WILLIAM F. CARR

Post Office Box 2208
Santa Fe, New Mexico 87504-2208
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ATTORNEYS FOR NEARBURG
EXPLORATION COMPANY, L.L.C.

EXHIBIT A

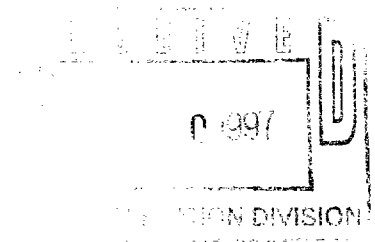
APPLICATION OF
NEARBURG EXPLORATION COMPANY, L.L.C.
FOR COMPULSORY POOLING
NE/4 SECTION 13, TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
EDDY COUNTY, NEW MEXICO

E. W. Bissett
140 Riverside Drive, Apt. 16J
New York, New York 10024-2605

James T. Jennings
Post Office Box 1180
Roswell, New Mexico 88202

CASE 11910:

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations developed on 160-acre spacing in the NE/4, in all formations developed on 80-acre spacing in the S/2 NE/4, and in all formations developed on 40-acre spacing in the SW/4 NE/4 of Section 13 Township 19 South, Range 25 East. Said unit is to be dedicated to its Lakewood Farms "13" Well No. 1 to be drilled in the Undesignated North Dagger Draw-Upper Pennsylvanian Pool at a standard location 1650 feet from the North and East lines of said Section 13. 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 area is located approximately 3 miles northwest of Lakewood, New Mexico.



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

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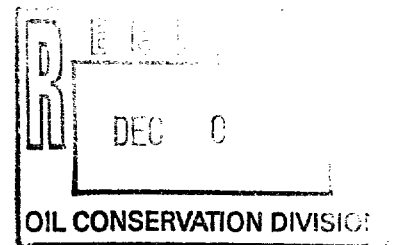
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December 30, 1997

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 87503



11910

Re: *Application of Nearburg Exploration Company, L.L.C. for Compulsory Pooling, Eddy County, New Mexico*

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Nearburg Exploration Company, L.L.C. in the above-referenced case as well as a copy of the legal advertisement. Nearburg Exploration Company, L.L.C., requests that this matter be placed on the docket for the January 22, 1998 Examiner hearings.

Very truly yours,

WILLIAM F. CARR

WFC:mlh
Enclosures

cc: Mr. Bob Shelton (w/enclosures)
Nearburg Producing Company, L.L.C.
3300 North "A" Street
Building 2, Suite 120
Midland, TX 79705