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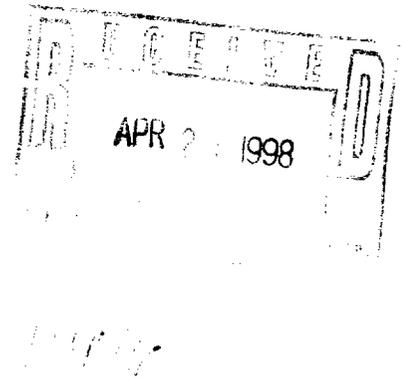
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April 21, 1998

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87503



Re: Application of Nearburg Exploration Company, L.L.C. for Compulsory Pooling and an Unorthodox Well Location, Lea County, New Mexico.

Dear Ms. Wrotenbery:

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 May 14, 1998 Examiner hearings.

Very truly yours,

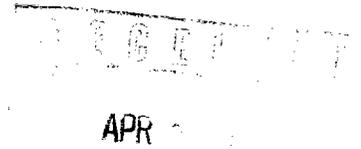
WILLIAM F. CARR

WFC:mlh
Enclosures

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

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

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



CASE NO. 1976

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 320-acre spacing in Lots 1, 2, 7, 8, 9, 10, 15 and 16 (containing 319.97 acres), in all formations developed on 160-acre spacing in Lots 9, 10, 15 and 16, in all formations developed on 80-acre spacing in Lots 15 and 16 and in all formations developed on 40-acre spacing in Lot 16 of Section 2, Township 21 South, Range 32 East. NMPM, Lea County, New Mexico, and for an unorthodox gas well location and in support of it application states:

1. Nearburg is a working interest owner in the above described acreage in Section 2 and has the right to drill thereon.
2. Nearburg proposes to dedicate the above-referenced spacing or proration unit to its Minis "2" Federal Well No. 1 to be drilled to an unorthodox location 3,630 feet from the South line (990 feet from the South line of this stand-up unit) and 660 feet from the East line of said Section 2, to a depth of approximately 14,300 feet to test any and all formations

from the surface to the base of the Morrow formation, Hat Mesa-Morrow Gas Pool.

3. Applicant has sought and has been unable to obtain either voluntary agreement for pooling or farmout from Samson Hydrocarbons Company and Samson Resources Company, 2 West Second Street, Tulsa, Oklahoma 74103.

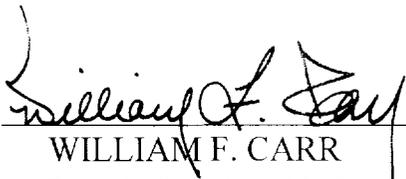
4. Said pooling of interests and unorthodox well location will avoid the drilling of unnecessary wells. will prevent waste and will protect correlative rights.

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, Nearburg Exploration Company, L.L.C. prays that this application be set for hearing before an Examiner of the Oil Conservation Division on May 14, 1998 and, after notice and hearing as required by law, the Division enter its order (1) pooling the lands, including provisions for Nearburg to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, imposing a risk factor for the risk assumed by Nearburg in drilling, completing and equipping the well, and (2) approving the proposed unorthodox well location for the Minis "2" Federal Well No. 1.

Respectfully submitted.

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

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