

SENDER

- ☐ Comp
- ☐ Comp
- ☐ Print y
- ☐ card it
- ☐ Attach
- ☐ permit
- ☐ Write*
- ☐ The R
- ☐ deliver

Nearburg Production Company

Case 12073

January 14, 1999

12/17/98

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
- 2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Sharbro Oil Ltf. Co.
P.O. Box 840
Artesia, NM 88210

4a. Article Number

2 274 518 130

4b. Service Type

- ☐ Registered ☐ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

12-21-98

8. Addressee's Address (Only if requested and fee is paid)

Received By: (Print Name)
Toni Hamilton
Signature: (Addressee or Agent)
X Toni Hamilton

PS Form 3811, December 1994

Domestic Return Receipt

102595-97-B-0179

Thank you for using Return Receipt Service.

SENDER

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- ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

Received By: (Print Name)

JOANN GRIGGS

Signature: (Addressee or Agent)

X Joann Griggs

PS Form 3811, December 1994

Domestic Return Receipt

102595-97-B-0179

Thank you for using Return Receipt Service.

SPONSOR

Nearburg Production Company

Case 12073

January 14, 1999

12/17/98

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Received By: (Print Name)

JOANN GRIGGS

Signature: (Addressee or Agent)

X Joann Griggs

PS Form 3811, December 1994

Domestic Return Receipt

102595-97-B-0179

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

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Nearburg Production Company
Case 12073
January 14, 1999
12/17/98
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Case 12073
January 14, 1999
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Case 12073
January 14, 1999
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Case 12073
Jan 14, 1999
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Domestic Return Receipt

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

December 16, 1998

TO: NOTICE OF THE HEARING OF THE FOLLOWING
NEW MEXICO OIL CONSERVATION DIVISION CASE:

*Re: NMOCD Case 12073, Order R-11089
Application of Nearburg Producing Company for
compulsory pooling and an unorthodox surface
location and unorthodox subsurface drilling/
producing window, Eddy County, New Mexico*

Please be advised that at 9:00 AM on January 14, 1999, the New Mexico Oil Conservation Commission will hear the referenced case including Nearburg Exploration Company, L.L.C.'s request to amend Order R-11089 to change the surface location for this well as described in the enclosed pleading dated December 4, 1998. The hearing will be held in the Commission hearing room located at 2040 South Pacheco, Santa Fe, New Mexico.

You are one of the parties whose interest in this spacing unit is subject to this compulsory pooling order. Of all the parties whose interest has been pooled, only Yates Petroleum Corporation became a party of record in this proceeding when it entered its appearance at the Examiner hearing held on November 5, 1998. Please be advised that Nearburg Exploration Company, L.L.C. has taken the position that the balance of you have waived your right to appear and participate in this matter.

Very truly yours,



W. Thomas Kellahin

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

December 4, 1998

HAND DELIVERED

Mr. Lori Wrotenbery, Chairman
Oil Conservation Commission
2040 South Pacheco
Santa Fe, New Mexico 87505

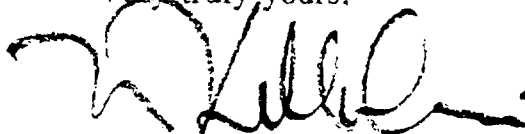
98 DEC -4 PM 12:54
OIL CONSERVATION COM.

Re: REQUEST FOR HEARING DENOVO
NMOCD CASE 12073
Order No. R-11089
Application of Nearburg Exploration Company, L.L.C.
for compulsory pooling and an unorthodox surface
location and subsurface drilling window,
Eddy County, New Mexico

Dear Ms. Wrotenbery:

On behalf of Nearburg Exploration Company, L.L.C., please find enclosed our request for a Hearing DeNovo of the referenced case before the New Mexico Oil Conservation Commission. We request that this matter be set for hearing on the December 16, 1998 docket. We anticipate that this case will take one-half day to hear.

Very truly yours,



W. Thomas Kellahin

cc: William F. Carr, Esq.
Attorney for Yates Petroleum Corporation
cc: Nearburg Exploration Company, L.L.C.
Attn: Bob Shelton

**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. 12073
Order No. R-11089**

**APPLICATION OF NEARBURG EXPLORATION
COMPANY, L.L.C. FOR COMPULSORY POOLING,
AN UNORTHODOX SURFACE AND SUBSURFACE
DRILLING WINDOW, EDDY COUNTY, NEW MEXICO.**

**NEARBURG EXPLORATION COMPANY, L.L.C.'S
REQUEST FOR A DE NOVO HEARING
BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
IN ORDER TO AMEND ORDER R-11089**

Comes now Nearburg Exploration Company, L.L.C, ("Nearburg") a party of record before the New Mexico Oil Conservation Division in Case 12073 and adversely affected by Division Order R-11089 entered November 23, 1998, by its attorneys Kellahin & Kellahin and pursuant to Section 70-2-13 NMSA-1978, hereby requests that the New Mexico Oil Conservation Commission hold a HEARING DENOVO in this matter in order to amend the previously approved unorthodox surface location and as grounds therefore states:

(1) Nearburg's proposed Eagle Creek "11" Well No 1 is to be a Morrow well to be dedicated to the E/2 of Section 11, T17S, R25E, NMPM, Eddy County, New Mexico.

(2) The optimum subsurface location is in the SE/4 of this section which is in close proximity to the Artesia airport and the applicable FAA restrictions.

(3) At the time of the hearing held on November 5, 1998, Nearburg:

(a) had searched for a suitable surface location in the SE/4 of this section but believed no suitable location existed;

(b) intended to use an unorthodox surface location in adjoining section 14 at a point 1070 feet FNL and 2110 feet FWL. (Unit C);

(c) this surface location was located on surface tract controlled by Yates Petroleum Corporation ("Yates") whom Nearburg believed would consent to the use of their surface; and

(d) the proposed cost of the well ("AFE") were \$801,530.00 for a completed well to be drilled directionally to the Morrow formation at approximately 8,000 feet TVD.

(4) At the time of the Examiner's hearing, Yates had filed a written waiver of objection to the location for this well and filed an entry of appearance but did not present any evidence or objection to the entry of this compulsory pooling order.

(5) After entry of this order, Yates

(a) filed for a DeNovo hearing in this case; and

(b) notified Nearburg that Yates will refuse to allow Nearburg to use Yates' surface for this well.

(6) As a result of Yates' actions, Nearburg

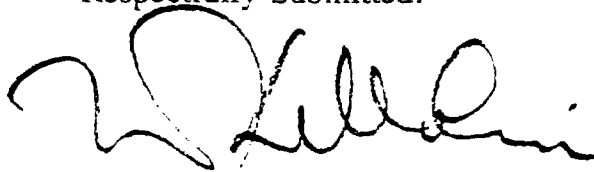
(a) has now located a surface owner in the SE/4 of Section 11 who was previously unknown to Nearburg and who is willing to allow Nearburg a surface location 460 feet FEL and 1120 feet FSL of this section which Nearburg believes will satisfy the FAA requirements; and

(b) has notified all of the parties pooled by Order R-11089 of this change in surface location and has afforded them an opportunity to elect to participate in this well as revised.

(7) Nearburg's requested subsurface drilling window will **not** change and the AFE resulting for this amended surface location will be \$812,198.00

Accordingly, Nearburg requests that this matter be incorporated into this case now pending a DeNovo hearing before the Commission and currently scheduled for hearing on December 18, 1998 and that the Commission amend only that portion of Order R-11089 necessary in order to authorize Nearburg to drill this well at an unorthodox surface location 460 feet FEL and 1120 feet FSL of Section 11.

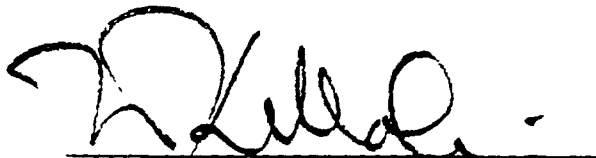
Respectfully Submitted:



W. Thomas Kellahin
Kellahin & Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87501
(505) 982-4285
ATTORNEYS FOR
NEARBURG EXPLORATION COMPANY, L.L.C.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was delivered to opposing counsel of record this 4th day of December, 1998.



W. Thomas Kellahin

EXHIBIT "A"

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
Attn: Randy Patterson

ABO Petroleum Corporation
105 S. Fourth Street
Artesia, NM 88210

MYCO Industries, Inc.
105 S. Fourth Street
Artesia, NM 88210

S.P. Yates
105 S. Fourth Street
Artesia, NM 88210

John A. Yates
105 S. Fourth Street
Artesia, NM 88210

John A. Yates,
P.R of the Estate of Peggy A. Yates
105 S. Fourth Street
Artesia, NM 88210

Sharbro Oil Ltd. Co.
P. O. Box 840
Artesia. NM 88210