



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 27, 1999

Nearburg Exploration Company, L.L.C.
c/o Campbell, Carr, Berge & Sheridan
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

12211

Attention: William F. Carr

RE: Administrative application on behalf of the operator, Nearburg Exploration Company, L.L.C., for its proposed Sagebrush "24" Federal Com. Well No. 1 to be drilled at an unorthodox Morrow gas well location 660' FNL & 990' FEL (Unit A) of Section 24, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico, in which the E/2 of Section 24 is to be dedicated in order to form a standard 320-acre gas spacing and proration unit for either the Undesignated East Gem-Morrow Gas Pool or the Undesignated Quail Ridge-Morrow Gas Pool.

Dear Mr. Carr:

On June 7, 1999 the Division received an objection from Matador Petroleum Corporation to the subject application, see copy of a letter attached.

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for July 8, 1999. Please provide adequate notice pursuant to Rule 1207.A(5) of the Division's Rules and Regulations.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
W. Thomas Kellahin, Legal Counsel for Matador Petroleum Corporation - Santa Fe
Kathy Valdes - OCD, Santa Fe