

OIL CONSERVATION DIV.
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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,
LEA COUNTY, NEW MEXICO.

CASE NO. 12285

APPLICATION

NEARBURG EXPLORATION COMPANY, L.L.C. ("Nearburg"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.S.A. 1978, Section 70-2-17, for an order pooling all mineral interests from the surface to the base of the Morrow formation, under the following acreage in Section 17, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico:

- A. the N/2 to form a standard 320-acre gas spacing and proration unit for formations and/or pools developed on 320-acre spacing within that vertical extent which presently include but are not necessarily limited to the Undesignated San Simon Wolfcamp Gas Pool;
- B. the NW/4 to form a standard 160-acre spacing and proration unit for formations and/or pools developed on 160-acre spacing within that vertical extent;
- C. the N/2 NW/4 to form a standard 80-acre spacing and proration unit for formations and/or pools developed on 80-acre spacing within that vertical extent; and
- D. the NW/4 NW/4 to form a standard 40-acre gas spacing and proration unit for

formations and/or pools developed on 40-acre spacing within that vertical extent.

Said spacing and proration units are to be dedicated to a well to be drilled at standard location in the NW/4 NW/4 of said Section 17, and in support of its application states:

1. Nearburg is a working interest owner in said Section 17 and has the right to drill thereon.

2. Nearburg proposes to dedicate the above-referenced spacing or proration units to a well to be drilled at a standard location in the NW/4 of said Section 17, to a depth sufficient to test any and all formations to the base of the Morrow formation.

3. Nearburg has sought and been unable to obtain voluntary agreement for the development of these spacing and proration units from those interest owners 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 Exploration Company, L.L.C. should be designated the operator of the well to be drilled.

WHEREFORE, Neaburg Exploration Company, L.L.C. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 18, 1999, and, after notice and hearing as required by law, the Division enter its order pooling

1999, and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Nearburg operator of these spacing and proration units, and authorizing 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.

Respectfully submitted,

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

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

**EXHIBIT A
NOTIFICATION LIST
APPLICATION OF NEARBURG EXPLORATION COMPANY
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

**SECTION 17, TOWNSHIP 22 SOUTH, RANGE 35 EAST,
NMPM, LEA COUNTY, NEW MEXICO**

Santa Fe Snyder
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