



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Lori Wrotenbery
Director
Oil Conservation Division

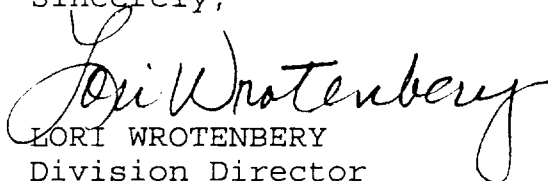
February 2, 2001

Mr. William F. Carr
Holland & Hart LLP and
Campbell & Carr
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico 87504-2208

Dear Mr. Carr:

Based upon the reasons stated in your letter of January 31, 2001, and in accordance with the provisions of Division Order No R-11483, Nearburg Exploration Company, L.L.C. is hereby granted an extension of time until May 15, 2001, in which to commence drilling the well pooled by this order.

Sincerely,


LORI WROTENBERY
Division Director

fd/

cc: Case No. 12517 ✓
OCD - Artesia

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AND
CAMPBELL & CARR
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January 31, 2001

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 87505

Re: Oil Conservation Division Case No. 12517: Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico.

Dear Ms. Wrotenbery;

On November 13, 2000, the Division entered Order No. R-11483 which granted the application of Nearburg Exploration Company, L.L.C. in the above-referenced case pooling all mineral interests from the surface to the base of the Morrow formation under the following spacing and proration units in Section 4, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico:

- A. E/2 equivalent to form a standard 320-acre spacing and proration unit for all formations and/or pools developed on 320-acre spacing;
- B. NE/4 equivalent to form a standard 160-acre spacing and proration unit for all formations and/or pools developed on 160-acre spacing;
- C. W/2 NE/4 equivalent to form an 80-acre spacing and proration unit for all formations and/or pools developed on 160-acre spacing; and

- D. SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on 40-acre spacing.

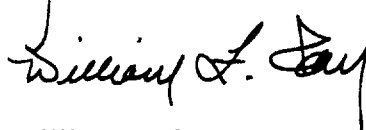
These pooled units are to be dedicated to the Kaiser Lake "4" Federal Com. Well No. 1 which Nearburg proposes to drill at a standard location in the NE/4 of Section 19.

Order R-11483 provides that in the event Nearburg does not commence drilling operations on or before February 15, 2001, this pooling order shall be of no further effect unless Nearburg obtains a time extension from the Division Director for good cause shown.

Nearburg intends to drill the Kaiser Lake "4" Federal Com. Well No. 1 in the NE/4 of Section 4. However, Nearburg is experiencing difficulties in obtaining and scheduling a rig for this well and will be unable to commence drilling activities prior to the current deadline for drilling imposed by this order. An extension of Order No. R-11483 from February 15, 2001 to May 15, 2001 is therefore needed.

Your attention to this request is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large initial "W" and a stylized "C".

William F. Carr

cc: Mark Wheeler
Nearburg Exploration Company, L.L.C.