



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

RY E. JOHNSON

Governor

Jennifer A. Salisbury
Cabinet Secretary

February 15, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Nearburg Exploration Company, L.L.C.
c/o Holland & Hart LLP and Campbell & Carr
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Attention: Michael H. Feldewert

BEFORE THE
OIL CONSERVATION COMMISSION
Case No. 12622 & 12908
Exhibit # **A-20**
Submitted By: Redrock Operating
Hearing Date: October 21 & 22, 2002

Re: Administrative application initially filed with the New Mexico Oil Conservation Division in Santa Fe on January 8, 2001 for an exception to the spacing provisions of Division Rule 104C (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, to create two non-standard 160-acre gas spacing and proration units within the East Grama Ridge-morrow Gas Pool comprising: (i) the NE/4 of Section 34, Township 21 South, Range 34 East, NMPM, Eddy County, New Mexico, to be dedicated to a well to be operated by Nearburg Producing Company; and (ii) the SE/4 of Section 34 to be dedicated to a well to be operated by EOG Resources, Inc.

Dear Mr. Feldewert:

On Wednesday, February 14, 2001 I received the following: (i) a letter of opposition from Redrock Operating Ltd. Co. of Coppell, Texas dated February 12, 2001 to your application (see attached); (ii) your voice mail message left at 11:40 a.m.; and (iii) a faxed letter from Mr. W. Thomas Kellahin who represents Redrock Operating Ltd. Co. (also attached). This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for March 22, 2001. I prepared the following advertisement in this matter:

"Application of Nearburg Exploration Company, L.L.C. for two non-standard gas spacing and proration units, Lea County, New Mexico. Applicant seeks an exception to the provisions of Division Rule 104.C (2) to create two non-standard units within the East Grama Ridge-Morrow Gas Pool comprising Township 21 South, Range 34 East, NMPM, Eddy County, New Mexico. Nearburg Producing Company's existing Grama Ridge East "34" (API No. 34948), located at a standard gas well location 1548 feet from the East line (Unit H) of Section 34; and (ii) the SE/4 of Section 34 to be dedicated to a well to be operated by EOG Resources, Inc. operated Llano "34" State Well No. 1 (API No. 34948), located at a standard gas well location 1650 feet from the South line and 660 feet from the East line (Unit I) of Section 34. These two wells are located approximately 17 miles west of Eunice, New Mexico.

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CAMPBELL, GARR, et. al.

cc: New Mexico Oil Conservation Division - Hobbs
Jeff Albers, Engineer - New Mexico State Land Office - Santa Fe
W. Thomas Kellahin, Legal Counsel for Redrock Operating Ltd. Co.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer