



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

October 28, 2002

Mr. William F. Carr
Holland & Hart
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 October 24, 2002, and in accordance with the provisions of Division Order No. R-11811, Nearburg Exploration Company, L.L.C. is hereby granted an extension of time until February 15, 2003, in which to commence drilling the well pooled by this order.

Sincerely,


LORI WROTENBERY
Division Director

fd/

cc: ✓ Case No. 12900
OCD - Hobbs

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

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William F. Carr

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October 24, 2002

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

OCT 25 PM 3:03
100-30386

Re: Oil Conservation Division Case No. 12900: Application of
Nearburg Exploration Company, L.L.C. for compulsory
pooling and an unorthodox well location, Lea County, New
Mexico.

Dear Ms. Wrotenbery;

On August 1, 2002, the Division entered Order No. R-11811 which granted the application of Nearburg Exploration Company, L.L.C. in the above-referenced case pooling all uncommitted interests from the surface to the base of the Strawn formation underlying the S/2 SW/4 of Section 10, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico forming a standard 80-acre spacing and proration unit for all formations and/or pools developed on 80-acre spacing, which includes the Humble City-Strawn and Shipp-Strawn Pools.

The pooled units are to be dedicated to the Voyager-Shipp Well No. 1 (**API No. 30-025-30386**) which Nearburg proposes to re-enter and directionally drill from a surface location 990 feet from the South line and 330 feet from the West line (Unit M) of Section 10, to an unorthodox bottomhole location 860 feet from the South line and 1400 feet from the West line (Unit M) of Section 10. This unorthodox location was approved by Order No. R-11811.

Order R-11811 provides that in the event Nearburg does not commence re-entry and directional drilling operations on or before November 15, 2002, this pooling order shall be of no effect unless

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Nearburg obtains a time extension from the Division Director for good cause shown.

Nearburg plans to re-enter and directionally drill the Voyager-Shipp Well No. 1 in the S/2 SW/4 of Section 10. However, it has encountered delays in obtaining necessary partner approvals and has determined that it will not be able to commence drilling until some time during the first quarter of 2003. Since it will be unable to commence drilling prior to the current deadline set by this pooling order, Nearburg Exploration Inc. Nearburg Exploration Company, L.L.C. therefore requests an extension of the provisions of Order No. R-11811 from November 15, 2002 until February 15, 2003.

Your attention to this request is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", written over a horizontal line.

William F. Carr

cc: Mr. Duke Roush
Nearburg Exploration Company, L.L.C.