

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 10731
Order No. R-9940**

**APPLICATION OF NEARBURG PRODUCING
COMPANY FOR AN UNORTHODOX OIL WELL
LOCATION, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 17, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 18th day of August, 1993, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Nearburg Producing Company, seeks approval to drill its Dagger Draw "31" Federal Well No. 5 at an unorthodox oil well location 330 feet from the North line and 2460 feet from the West line (Unit C) of Section 31, Township 19 South, Range 25 East, NMPM, North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico. Said well is to be simultaneously dedicated to an existing 162.60-acre oil spacing and proration unit comprising Lots 1 and 2 and the E/2 NW/4 (NW/4 equivalent) of said Section 31, which is currently dedicated to the Dagger Draw "31" Federal Well Nos. 1 and 4 located in Units D and E, respectively.

(3) Conoco Inc. and Yates Petroleum Corporation, both offset operators to the proposed unorthodox location, appeared at the hearing in opposition to the application.

(4) On August 11, 1993, the Division received a letter from Nearburg Producing Company requesting that Case No. 10731 be dismissed.

(5) The applicant's request should be granted.

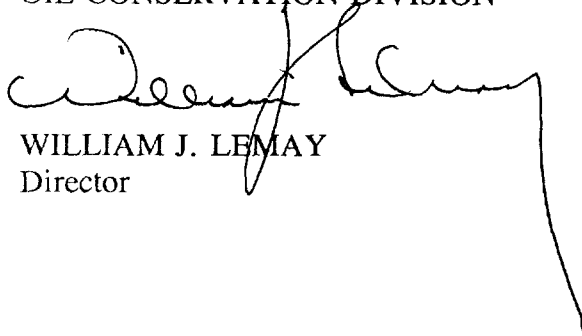
IT IS THEREFORE ORDERED THAT:

(1) The application of Nearburg Producing Company to drill its Dagger Draw "31" Federal Well No. 5 at an unorthodox oil well location 330 feet from the North line and 2460 feet from the West line (Unit C) of Section 31, Township 19 South, Range 25 East, NMPM, North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico, is hereby dismissed.

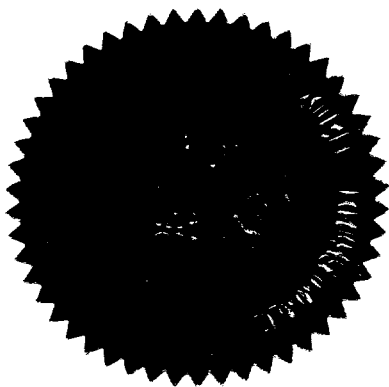
(2) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director



S E A L

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

OIL CONSERVATION DIVISION
RECEIVED

55 JUL 12 AM 8 41

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**APPLICATION OF NEARBURG PRODUCING
COMPANY FOR AN UNORTHODOX OIL WELL
LOCATION, EDDY COUNTY, NEW MEXICO**

CASE NO. 10,731

ORDER OF THE DIVISION

BY THE DIVISION:

THIS CAUSE came on for hearing at _____ a.m. on June __, 1993, at Santa Fe, New Mexico, before Examiner David Catanach.

NOW, on this ____ day of _____, 1993, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

1. Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

2. The Applicant, Nearburg Producing Company ("Nearburg"), seeks approval of an unorthodox well location for its Dagger Draw 31 Fed. Well No. 5, to be drilled at a location 330' from the north line and 2,460' from the west line of Section 31, Township 19 South, Range 25 East, to test the North Dagger Draw-Upper Pennsylvanian Pool.

3. At the time of the hearing, Yates Petroleum Corporation ("Yates") and Conoco, Inc. ("Conoco"), direct offsetting leasehold owners to the north, northeast and east of the subject

acreage, each having varying percentages of ownership in the proration units comprising the SW/4 of Section 30, the SE/4 of Section 30 and the NE/4 of Section 31, all Township 19 South, Range 25 East, Eddy County, New Mexico, appeared at these proceedings in opposition to this application and tendered witnesses and offered evidence in support of their protest.

4. Nearburg presented information that its original unorthodox location was denied by the Bureau of Land Management for the reason that such location would encounter an archaeological site. Nearburg did not present testimony which indicated that all other possible orthodox locations for its proposed well would likewise encounter archaeological sites.

5. Yates and Conoco presented information which indicated that there were several possible orthodox locations for the proposed well which would not infringe upon a Bureau of Land Management designated archaeological site.

6. Nearburg presented a geological interpretation of existing geologic data which indicated that locating the proposed well either west or south of its proposed first choice location would be inferior from a geologic standpoint.

7. Yates and Conoco presented geologic interpretations of known geologic data which contradicted Nearburg's geologic interpretations.

8. Yates and Conoco presented geologic testimony which indicates that there were several alternative orthodox locations existing within the NE/4 of the NW/4 of Section 31 which all had

as good as or better probability of success than Nearburg's location.

9. Conoco has drilled successfully in Dagger Draw North at a location 180 feet from a preexisting Well. Nearburg could drill from the pad of the abandoned Kathy Eyre No. 1 with little chance of drilling problems.

10. Nearburg did not investigate surface conditions at the legal locations in Unit C. These potential locations are south and west of the Kathy Eyre No. 1. Photographs show the topography is suitable for drilling and Nearburg performed no arc studies in this area. Nearburg did not even attempt to show that the prime orthodox locations in Unit C have surface problems. The evidence presented shows that Nearburg can probably drill at one of many legal locations.

11. The Conoco, Yates and even Nearburg geology show that thick, productive dolomite will be encountered at legal locations in Unit C. Nearburg can drill a very economic well at a legal location.

FINDING:

Based upon the use of the nearest controlling geologic data to the NE/4 of the NW/4 of Section 31, it is determined that numerous orthodox locations which have not been shown by Nearburg to be condemned topographically or geologically exist.

12. Yates and Conoco presented engineering testimony which indicated that a well drilled at the proposed unorthodox location, if completed, would drain reserves from all three of the offsetting proration units closest to it.

13. Nearburg did not present any evidence which would contradict Yates' evidence that the proposed unorthodox location would drain reserves from the three closest offsetting proration units.

14. If the Nearburg unorthodox location is granted, the allowable for the NW/4 of Section 31 must be reduced by a penalty factor of at least 66% (from 700 BOPD to 238 BOPD) to protect the rights of offset operators. Even then, Nearburg could produce the entire 238 BOPD from the proposed Dagger Draw 31 Fed. #5 to the detriment of Yates and Conoco wells.

15. Yates presented engineering testimony that developed several scenarios utilizing Oil Conservation Division precedence in the setting of penalties when a well drilled at an unorthodox location has been shown to drain reserves from surrounding proration units. Such testimony indicated that there was no effective way, utilizing past precedence, to effectively penalize the proposed Nearburg well because of the situation created by the North Dagger Draw field rules, which allow for the drilling of multiple wells on a single proration unit.

16. The rights of all parties are best protected if Nearburg drills at a legal location in Unit C of Section 31. The unorthodox Nearburg location should be denied.

17. The standard size for a pad at Dagger Draw is 250 feet by 300 feet, so Nearburg does not need a location as large as 400 feet by 400 feet.

FINDING:

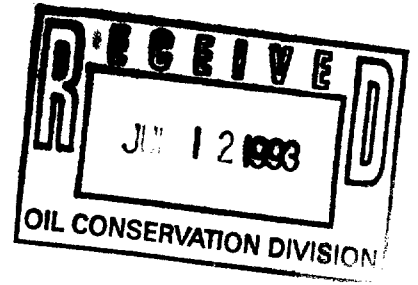
A penalty for an unorthodox well drilled at the proposed location would be in order; however, because of the North Dagger Draw Field Rules allowing multiple wells within a single production unit, it is determined that a penalty could not be effectively or fairly invoked in order to protect correlative rights of offsetting leaseholders.

12. The Application of Nearburg for an unorthodox well location to be drilled at a location 330' from the north line and 2,460' from the west line of Section 31, Township 19 South, Range 25 East, to test the North Dagger Draw-Upper Pennsylvanian Pool should be denied.

IT IS THEREFORE ORDERED THAT:

1. The Application of Nearburg Producing Company for an unorthodox well location to be drilled at a location 330' from the north line and 2,460' from the west line of Section 31, Township 19 South, Range 25 East, to test the North Dagger Draw-Upper Pennsylvanian Pool is hereby denied.

2. Jurisdiction of this cause is retained for entry of such further orders as the Division may deem necessary.



STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10731
Order No. R-____

APPLICATION OF NEARBURG PRODUCING
COMPANY FOR AN UNORTHODOX OIL WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

CONOCO'S PROPOSED
ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 17, 1993,
at Santa Fe, New Mexico before Examiner David R. Catanach.

NOW, on this ____ day of July, 1993, the Division Director, having
considered the testimony, the record and the recommendations of the
Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the
Division has jurisdiction of this cause and the subject matter thereof.

CASE NO. 10731

Order No. R-____

Page 2

(2) The applicant, Nearburg Producing Company ("Nearburg"), seeks authorization to drill its proposed Dagger Draw "31" Federal Well No. 5 at an unorthodox oil location 330 feet FNL and 2460 feet FWL (Unit C) of Section 31, Township 19 South, Range 25 East, in the North Dagger Draw-Upper Pennsylvanian Pool with the NW/4 equivalent of said Section 31 to be simultaneously dedicated to said well and to the Dagger Draw "31" Federal Well Nos 1 and 4 located in Units "D" and "E" respectively.

(3) This location is within the North Dagger Draw-Upper Pennsylvanian Pool which is subject to Special Rules and Regulations as set forth in Division Order R-4691, as amended, which provide, among other things,

(a) for 160-acre proration and spacing units for oil production with a maximum of 700 barrels of oil per day with a limited 10,000 to 1 GOR per unit; and

(b) for wells located no closer than 660 feet to the nearest side boundary of the unit.

(4) Nearburg's requested unorthodox well location encroaches towards offsetting spacing units operated by Yates Petroleum Corporation ("Yates") and Conoco Inc. ("Conoco") each of which has a well located at a standard well location.

(5) Both Yates and Conoco appeared in opposition seeking to have the requested location DENIED.

(6) Nearburg sought approval of the unorthodox location WITHOUT a penalty based upon a combination of BLM surface limitations and geologic evidence which showed:

CASE NO. 10731

Order No. R-_____

Page 3

a) that the unorthodox well location was necessity because the proposed surface location will serve to avoid the surface features and archeological restrictions imposed by the U. S. Bureau of Land Management as the surface/mineral agency for this particular spacing unit;

b) that since Conoco's offsetting well, the Dagger Draw No 11 in Unit O, Section 30, T19S, R25E, has already paid out, they should be entitled to encroach on its drainage area with this proposed unorthodox location without penalty;

c) that the proposed unorthodox location (-4092 feet) is 8 feet higher structurally than the closest standard location (-4100 feet) which would also provide the maximum offset distance to the existing plugged Kathy Eyre wellbore and that the Cisco dolomite thickness at the unorthodox location should be 260 feet versus 250 feet at the standard location;

d) based upon geological considerations, its most favorable to Nearburg to encroach upon the spacing units to the north and east.

(7) Conoco and Yates sought to have the unorthodox location DENIED based upon the following land, geologic and petroleum engineering evidence:

a) that Nearburg never attempted to obtain BLM approval for a standard location in the NW/4 of Section 31 for this well;

b) that standard locations appear to be available to Nearburg in the NW/4 of Section 31 since there are no documented topographic or archeological constraints in which would prevent the drilling of a well at a standard location;

c) that both the Conoco and Yates geologic experts, working separately and without communication with the other, reached the same geologic conclusions and contoured the Cisco dolomite thickness with almost the same identical size, shape and location;

d) that the standard location window for the NE/4NW/4 of Section 31 lies along the trend of the thickest part of the North Dagger Draw Cisco oil reservoir at a structural elevation as high or higher than the best wells in the pool and led both Conoco and Yates' geologic witnesses to conclude that locations in this standard window would provide Nearburg with better structural position and greater dolomite thickness than its proposed unorthodox well location;

e) that the standard location window represents the best opportunity to encounter reservoir which has not been pressure depleted by offset production;

f) that the Nearburg requested unorthodox well location, if drilled, will leave recoverable hydrocarbons in the reservoir thereby causing waste;

g) that apparent available standard location represent viable, economic opportunities to recover the oil reserves underlying Nearburg's acreage in the NE/4NW/4 of Section 31;

h) Nearburg's unorthodox well location cannot be justified based upon either geologic or topographical reasons;

i) Nearburg's requested unorthodox well location if approved even with a penalty will give Nearburg an unfair advantage over the offsetting interest owners and will violate correlative rights;

j) that any production penalty imposed on the Nearburg spacing and proration unit because of this wells' unorthodox location will not be effective because there is no practical means for enforcing compliance in a spacing unit which has multiple wells and all production goes into a common battery without measurement for each well;

k) Nearburg is using an unjustified topographical and archeological excuse to gain an unfair and unnecessary advantage over Yates and Conoco;

l) Nearburg's unorthodox location will disrupt established drainage patterns in the immediate area as illustrated by Conoco's well location and drainage area maps;

m) that Nearburg's request represents a precedent in this pool which was been developed with wells located at least 660 feet from the outer boundaries of their units.

(8) The Division finds that:

a) Yates and Conoco geologic presentations represent a better understanding of the pool and reliably predict the structure and net pay within the NW/4 of Section 31.

b) that Nearburg's geologic evidence does not support its stated objective of gaining structure and reservoir thickness.

c) it is not a justification to allow wells at unorthodox well location simply because offsetting wells at standard location may be draining a portion of the spacing unit. Granting approval of an application based up[on that position would circumvent well spacing rules and lead to unrestricted competitive drilling at multiple unorthodox well locations all to the damage of correlative rights and prevention of waste.

CASE NO. 10731

Order No. R-_____

Page 6

d) that there are standard location available to Nearburg within its proposed spacing unit which will provide to Nearburg an adequate and efficient opportunity to produce is share of recoverable hydrocarbons;

e) that Nearburg failed to apply to the BLM for any standard location in its spacing unit and therefore has failed to demonstrate the necessity for the unorthodox well location;

f) the Conoco and Yates geologic interpretations should be adopted by the Division as the most probably interpretation because it was far more detailed and comprehensive than Nearburg's geologic interpretation.

(9) The applicant's request for an unorthodox well location is not justified and should therefore be denied.

IT IS THEREFORE ORDERED THAT:

(1) The application of Nearburg Producing Company for approval of its proposed Dagger Draw 31 Federal Well No 5 Well to be located at an unorthodox location 330 feet FNL and 2460 feet FWL (Unit C) of Section 31, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico, is hereby DENIED.

CASE NO. 10731

Order No. R-_____

Page 7

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE, at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

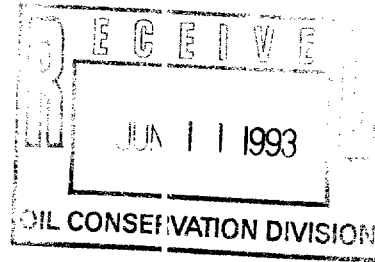
WILLIAM J. LEMAY
Director

S E A L

OFD709.089

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:



APPLICATION OF NEARBURG PRODUCING
COMPANY FOR AN UNORTHODOX OIL WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

CASE NO. 10,731

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Applicant as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Nearburg Producing Company
Suite 8100
3300 North "A" Street
Midland, Texas 79705
(915) 686-8235
Attention: Bob Shelton

ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

OPPOSITION OR OTHER PARTY

Conoco Inc.
Suite 100 W
10 Desta Drive
Midland, Texas 79705
(915) 686-5405

ATTORNEY

W. Thomas Kellahin
Kellahin & Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
(505) 748-1471

Ernest L. Carroll
Losee, Carson, Haas
& Carroll
Post Office Drawer 239
Artesia, New Mexico 88211
(505) 746-3505

STATEMENT OF CASE

APPLICANT

Applicant requests approval of an unorthodox well location for its Dagger Draw 31 Fed. Well No. 5, to be drilled at a location 330 feet FNL and 2,460 feet FWL of Section 31 - 19 South - 24 East, to test the North Dagger Draw - Upper Pennsylvanian Pool. The location is based upon geological and topographical (archaeological) reasons.

OPPOSITION

PROPOSED EVIDENCE

APPLICANT

WITNESSES		EST. TIME	EXHIBITS	
1.	Bob Shelton (Landman)	10 minutes	(a)	Land plat
			(b)	Archaeological survey report
			(c)	BLM letter
			(d)	Affidavit of Notice
2.	Jerry Elger (Geologist)	15 minutes	(a)	Structure map
			(b)	Isopach
			(c)	Cross-section

3. Tim McDonald 20 minutes (a) Production map

OPPOSITION

WITNESSES

EST. TIME

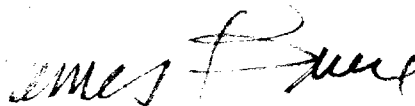
EXHIBITS

PROCEDURAL MATTERS

1. Conoco has served a subpoena on Nearburg, which Nearburg has requested be quashed.
2. Conoco has requested a continuance, which Nearburg opposes.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY



James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

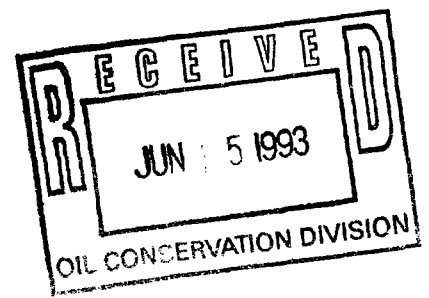
Attorneys for Nearburg Producing Company

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Pre-Hearing Statement was delivered to W. Thomas Kellahin, Kellahin & Kellahin, 117 North Guadalupe, Santa Fe, New Mexico, via hand-delivery, and a copy was mailed to Ernest L. Carroll, Losee, Carson, Haas & Carroll, Post Office Box 239, Artesia, New Mexico 88211-0239, via first-class mail, postage prepaid, this 11th day of June, 1993.



James Bruce



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10731

APPLICATION OF NEARBURG PRODUCING
COMPANY FOR AN UNORTHODOX OIL WELL
LOCATION, EDDY COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by CONOCO INC.
as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Nearburg Producing Company

ATTORNEY

James Bruce
P. O. Box 2068
Santa Fe, New Mexico 87504
(505) 982-4554

OPPOSITION PARTIES

Conoco Inc.
Suite 100 W
10 Desta Drive
Midland, Texas 79705
attn: Jerry Hoover
(915) 686-5405

ATTORNEYS

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

Pre-Hearing Statement
Case No. 10731
Page 2

Yates Petroleum Corporation	Ernest L. Carroll
	P. O. Drawer 239
	Artesia, New Mexico 88211
	(505) 746-3505

STATEMENT OF CASE

OPPOSITION OR OTHER PARTY

Conoco Inc. objects to the Nearburg application and requests the Division deny Nearburg's request.

Conoco will demonstrate that:

(1) Nearburg's unorthodox well location cannot be justified based upon either geologic or topographical reasons;

(2) There are standard locations available to Nearburg within its proposed spacing unit which will provide to Nearburg an adequate and efficient opportunity to produce its share of recoverable hydrocarbons;

(4) The Nearburg requested unorthodox well location if approved will give Nearburg an unfair advantage over the offsetting interest owners and will violate correlative rights;

(5) Nearburg is using an unjustified topographical excuse to gain an unfair and unnecessary advantage over Yates and Conoco.

(6) The Nearburg requested unorthodox well location if drilled would leave recoverable hydrocarbons in the reservoir thereby causing waste.

PROPOSED EVIDENCE

OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
Bill Hardy (geologist)	30-40 min	unknown at this time
Mark Majoher (petroleum engineer)	30-40 min	unknown at this time

Conoco anticipates it will present exhibits:

- (1) to accurately represent the topographical features of the Nearburg spacing unit,
- (2) to illustrate the geology of the immediate area including structure and ispoach maps,
- (3) letters/correspondence/documents concerning locations;
- (4) engineering displays to illustrate economics and ultimate recovery for wells drilled in area.

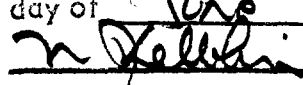
PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 

W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

I hereby certify that a true copy of the foregoing instrument was mailed to opposing counsel of record this 15 day of June, 19 93


BEFORE THE OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

**IN THE MATTER OF THE APPLICATION
OF NEARBURG PRODUCING COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO**

CASE NO. 10731

PRE-HEARING STATEMENT

This prehearing statement is submitted by YATES PETROLEUM CORPORATION, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Nearburg Producing Company

ATTORNEY

Jim Bruce,
Hinkle, Cox, Eaton, Coffield
& Hensley
P. O. Box 2068
Santa Fe, NM 87504-2068
(505)982-4554

OPPOSITION OR OTHER PARTY

Yates Petroleum Corporation

ATTORNEY

Ernest L. Carroll
Losee, Carson, Haas
& Carroll, P.A.
P. O. Drawer 239
Artesia, NM 88211-0239
(505)746-3505

Conoco, Inc.

W. Thomas Kellahin
Kellahin & Kellahin
P. O. Box 2265
Santa Fe, NM 87504-2265

STATEMENT OF CASE

APPLICANT

Applicant has requested approval to drill its Dagger Draw 31 Federal Well No. 5 in the North Dagger Draw-Upper Pennsylvanian Pool, at an unorthodox well location 330' FNL and 2460' FWL of Section 31, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, with the NW/4 of Section 31 to be dedicated to the well.

OPPOSITION OR OTHER PARTY

Yates Petroleum Corporation objects to the application.

PROPOSED EVIDENCE

YATES PETROLEUM CORPORATION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Kathy Porter, Landman	15 min.	2
D'Nese Fly, Geologist	15 min.	2
David Boneau, Engineer	30 min.	3

Respectfully submitted,

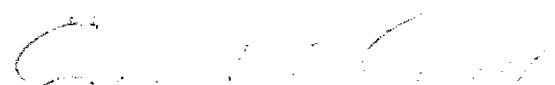
LOSEE, CARSON, HAAS & CARROLL, P.A.

By: 

Ernest L. Carroll
P. O. Drawer 239
Artesia, New Mexico 88211-0239
(505) 746-3505

Attorneys for Yates Petroleum Corp.

I hereby certify that I caused to be
mailed a true and correct copy of the
foregoing to all counsel of record
this June 11, 1993.


Ernest L. Carroll

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

218 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554

FAX (505) 982-8623

CLARENCE E. HINKLE (1901-1985)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1914-1987)

OF COUNSEL
C. M. CALHOUN*
MACK EASLEY
JOE W. WOOD
RICHARD S. MORRIS

WASHINGTON, D.C.
SPECIAL COUNSEL
ALAN J. STATMAN*

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
ERIC D. LANPHERE
C. D. MARTIN
ROBERT P. TINNIN, JR.
MARSHALL G. MARTIN
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY
NICHOLAS J. NOEDING
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
THOMAS J. MCBRIDE
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWETT
JAMES BRUCE
JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*
ALBERT L. PITTS
THOMAS M. HNASKO
JOHN C. CHAMBERS*
GARY D. COMPTON*
MICHAEL A. GROSS
THOMAS D. HAINES, JR.
GREGORY J. NIBERT
DAVID T. MARKETTE*
MARK C. DOW

FRED W. SCHWENDIMANN
JAMES M. HUDSON
JEFFREY S. BAIRD*
REBECCA NICHOLS JOHNSON
WILLIAM P. JOHNSON
STANLEY K. KOTOVSKY, JR.
H. R. THOMAS
ELLEN S. CASEY
MARGARET CARTER LUDEWIG

S. BARRY PAISNER
STEPHEN M. CRAMPTON
MARTIN MEYERS
GREGORY S. WHEELER
ANDREW J. CLOUTIER
JAMES A. G. LLESPIE
GARY W. LARSON
STEPHANIE LANDRY
JOHN R. KULSETH, JR.
MARGARET R. MCNETT
BRIAN T. CARTWRIGHT*
LISA K. SMITH*
ROBERT H. BETHEA*
BRADLEY W. HOWARD
CHARLES A. SUTTON
NORMAN D. EWART
DARREN T. GROCE*
MOLLY MCINTOSH
MARCIA B. LINCOLN
SCOTT A. SHUART*
DARREN L. BROOKS
CHRISTINE E. LALE
PAUL G. NASON
DARLA M. SILVA

*NOT LICENSED IN NEW MEXICO

OIL CONSERVATION DIVISION
RECEIVED

'93 MAR 25 11:16

700 UNITED BANK PLAZA
POST OFFICE BOX 10
ROSEMBO, NEW MEXICO 88202
(505) 622-5500
FAX (505) 623-9332

2800 CLAYDESTA CENTER
6 DESTA DRIVE
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691
FAX (915) 683-6518

1700 TEAM BANK BUILDING
POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569
FAX (806) 372-9761

500 MARQUETTE N.W., SUITE 800
POST OFFICE BOX 2043
ALBUQUERQUE, NEW MEXICO 87103
(505) 768-1500
FAX (505) 768-1529

May 24, 1993



Michael E. Stogner
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503

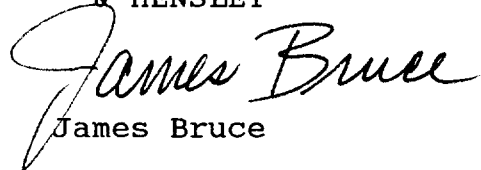
Re: Case 10731 (Nearburg Producing Company)

Dear Mr. Stogner:

We are now representing Nearburg in the above matter. Nearburg respectfully requests that this matter be continued to the June 17 Examiner hearing. This request is being made because Ernest Carroll, the attorney for Yates Petroleum Corporation, which is objecting to this application, has a scheduling conflict. I have also spoken with Mr. Kellahin, the attorney for Conoco, about this matter, and he has no objection to the continuance.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY



James Bruce

JB:frs

c: Ernest L. Carroll, Esq.
W. Thomas Kellahin, Esq.

HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
ERIC D. LANPHERE
C. D. MARTIN
ROBERT P. TINNIN, JR.
MARSHALL G. MARTIN
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY
NICHOLAS J. NOEDING
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
THOMAS J. MCBRIDE
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWETT
JAMES BRUCE
JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*
ALBERT L. PITTS
THOMAS M. HNASKO
JOHN C. CHAMBERS*
GARY D. COMPTON*
MICHAEL A. GROSS
THOMAS D. HAINES, JR.
GREGORY J. NIBERT
DAVID T. MARKETTE*
MARK C. DOW

FRED W. SCHWENDIMANN
JAMES M. HUDSON
JEFFREY S. BAIRD*
REBECCA NICHOLS JOHNSON
WILLIAM P. JOHNSON
STANLEY K. KOTOVSKY, JR.
H. R. THOMAS
ELLEN S. CASEY
MARGARET CARTER LUDEWIG

S. BARRY PAISNER
STEPHEN M. CRAMPTON
MARTIN MEYERS
GREGORY S. WHEELER
ANDREW J. CLOUTIER
JAMES A. GILLESPIE
GARY W. LARSON
STEPHANIE LANDRY
JOHN R. KULSETH, JR.
MARGARET R. MCNETT
BRIAN T. CARTWRIGHT*
LISA K. SMITH*
ROBERT H. BETHIA*
BRADLEY W. HOWARD
CHARLES A. SUTTON
NORMAN D. EWART
DARREN T. GROCE*
MOLLY MCINTOSH
MARCIA B. LINCOLN
SCOTT A. SHUART*
DARREN L. BROOKS
CHRISTINE E. LALE
PAUL G. NASON
DARLA M. SILVA

ATTORNEYS AT LAW
218 MONTEZUMA
POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554
FAX (505) 982-8623

CLARENCE E. HINKLE (1901-1985)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1914-1987)

OF COUNSEL
O. M. CALHOUN*
MACK EASLEY
JOE W. WOOD
RICHARD S. MORRIS

WASHINGTON, D.C.
SPECIAL COUNSEL
ALAN J. STATMAN*

700 UNITED BANK PLAZA
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 622-6510
FAX (505) 623-9332

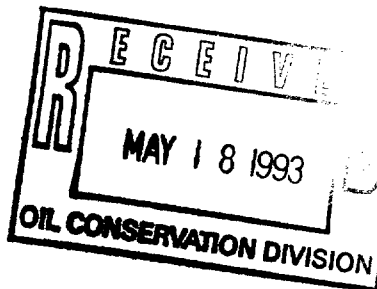
2800 CLAYDESTA CENTER
6 DESTA DRIVE
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691
FAX (915) 683-6518

1700 TEAM BANK BUILDING
POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569
FAX (806) 372-9761

500 MARQUETTE N.W., SUITE 800
POST OFFICE BOX 2043
ALBUQUERQUE, NEW MEXICO 87103
(505) 768-1500
FAX (505) 768-1529

*NOT LICENSED IN NEW MEXICO

May 18, 1993



Via Hand Delivery

Mr. David Catanach
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501


Re: Case 10731 (Nearburg Producing Company)
Case 10732 (Condor Oil Corporation)
Case 10734 (Pogo Producing Company)
Case 10687 (Mewbourne Oil Company)
Case 10688 (Mewbourne Oil Company)

Dear Mr. Catanach:

Please continue the above cases to the June 3, 1993 hearing.
Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY


James Bruce

JB/bc