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OIL CONSERVATION DIVISION

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POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

February 14, 1989

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

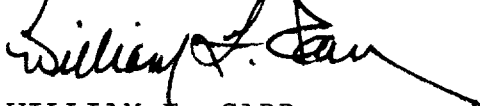
Re: Oil Conservation Division Case No. 9601  
In the Matter of the Application of Nearburg Producing  
Company for Compulsory Pooling, Eddy County, New Mexico

Dear Mr. LeMay:

I would appreciate the Division dismissing the above-referenced hearing presently set on the February 15, 1989 Examiner docket.

Your assistance in this matter is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

cc: Mark Nearburg  
Nearburg Producing Company

STATE OF NEW MEX CO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

February 23, 1989

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE NEW MEXICO 87501  
(505) 827-5870

Mr. William P. Carr  
Campbell & Black  
Attorneys at Law  
Post Office Box 2298  
Santa Fe, New Mexico

Re: CASE NO. 9601  
ORDER NO. R-8874

Applicant:

~~Nearburg Producing Company~~

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Florence Davidson

FLORENE DAVIDSON  
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

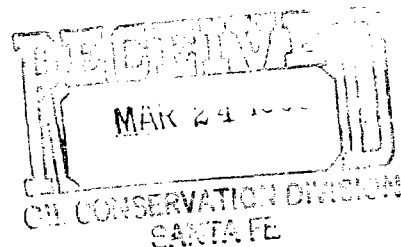
Other \_\_\_\_\_

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# MERIDIAN OIL

March 23, 1989

CERTIFIED - RETURN RECEIPT REQUESTED



BHP Petroleum (Americas) Inc.  
Attention: Mr. Jerry W. Bair  
One Civic Center Plaza  
1560 Broadway, Suite 1900  
Denver, Colorado 80202

Re: Stanolind Gas Com #300  
E/2 Section 16, T-30-N, R-8-W  
San Juan County, New Mexico  
NMOCD Case No. 9599

Gentlemen:

Please reference our past correspondence on the captioned well. As you are aware Meridian Oil Inc. (Meridian) filed with the New Mexico Oil Conservation Division for compulsory pooling of the drilling unit for said well. After hearing the matter, the Oil Conservation Division has now issued order R-8882, a copy of which is enclosed, pooling the acreage and interests necessary for drilling.

Meridian, pursuant to the terms of the enclosed order, is hereby notifying you of your right to participate in the well pursuant to this order. For your review, I am enclosing a copy of the itemized estimated well and facility costs, the Authority for Expenditure and the proposed Operating Agreement covering the well.

Meridian realizes that BHP is now working towards voluntary joinder pursuant to the terms of a mutually acceptable Operating Agreement. Since that is the most desirable method of joinder for all parties involved, we will continue, during the thirty (30) day decision period imposed on you by the order, to work towards that end. If such an agreement is timely reached, we will make application to either vacate the Order or dismiss you from it.

If, however, you elect to participate in the well pursuant to the terms of the order, you should do the following:

1. Evidence your election to participate by reviewing the estimated well costs and executing the enclosed Authority for Expenditure.

March 23, 1989


2. Prepay your 37.50% share of the \$374,190.00 total estimated completed well costs. The prepayment should be in the form of a cashiers check or certified bank check.

The executed Authority for Expenditure and the prepayment of well costs must be returned to Meridian at the letterhead address within thirty (30) days of your receipt of this letter.

If you do not voluntarily join the well within the thirty (30) day period or if we do not receive your joinder pursuant to the referenced order within the thirty (30) day period, it will be assumed that you have elected not to participate in the well. Meridian, under the terms of the order, has the right to drill the well and recover your pro-rata share of reasonable well costs from production. Meridian will also be allowed to recover an additional one-hundred-fifty-six-percent (156%) of reasonable well costs as a charge for bearing the risk of drilling the well.

I look forward to hearing from you on this matter. If you have any questions or require further information, please advise.

Very truly yours,



John R. Myrick  
Landman

JRM:ch

File:

cc: Mr. Tom Kellahin

Mr. William LeMay, Director  
NMOCD