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July 17, 1990

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JUL 17 1990

OIL CONSERVATION DIV.
SANTA FE

10033

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: In the Matter of the Application of Nearburg Producing Company for an
Unorthodox Gas Well Location, Lea County, New Mexico

✓ In the Matter of the Application of Nearburg Producing Company for
Compulsory Pooling, and Amendment of Division Order No. R-9168, Lea
County, New Mexico

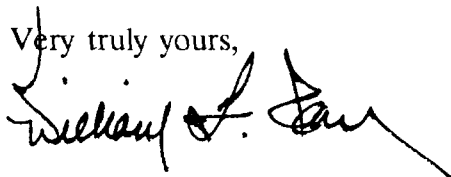
In the Matter of the Application of Nearburg Producing Company for
Amendment of Division Order No. R-8752, Eddy County, New Mexico

In the Matter of the Application of Nearburg Producing Company for a Non-
Standard Proration Unit, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate are the applications of Nearburg Producing Company in the above-
referenced cases. Nearburg Producing Company respectfully requests that these matters
be placed on the docket for the August 8, 1990 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: Mr. Mark K. Nearburg

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

RECEIVED

IN THE MATTER OF THE APPLICATION
OF NEARBURG PRODUCING COMPANY
FOR COMPULSORY POOLING, AND
AMENDMENT OF DIVISION ORDER NO.
R-9168, LEA COUNTY, NEW MEXICO.

JUL 17 1990

OIL CONSERVATION DIV.
SANTA FE

CASE NO. 10033

APPLICATION

NEARBURG PRODUCING COMPANY, by and through its undersigned attorneys,
hereby makes application to the Oil Conservation Division for an amendment of Division
Order No. R-9168 and in support of its application states:

1. Applicant owns or represents approximately 98% of the working interest in and
under the N/2 NW/4 of Section 17, Township 16 South, Range 37 East, N.M.P.M., Lea
County, New Mexico.
2. By Order No. R-9168 the Division pooled all interests in the E/2 NW/4 of
Section 17 to form a standard 80-acre oil spacing unit in the Northeast Lovington-
Pennsylvanian Pool comprised of the E/2 NW/4 of Section 17.
3. Pursuant to the provisions of Order No. R-9168, entered May 1, 1990,
applicant has drilled a well at a standard location in the NE/4 NW/4 of Section 17.
4. Applicant seeks to amend Order No. R-9168 to pool the N/2 NW/4 of
Section 17 for this new Pennsylvanian well instead of the E/2 NW/4 of said Section 17.

5. The proposed amendment of Order R-9168 and the pooling of interests in the N/2 ^{N/2}/₄ of Section 17 will not change the ownership in the well for the ownership in the SE/4 NW/4 which has been pooled and which applicant proposes to delete from the acreage dedicated to the new well is identical to the ownership in the NW/4 NW/4 of Section 17 which applicant proposes be added to the acreage dedicated to this well.

6. Applicant has sought and obtained voluntary agreement for pooling from all interest owners in the proposed spacing unit except for:

Rebel Oil Company 1.56% WI
303 W. Wall, Suite 1600
Midland, Texas 79701

Adolph Schweizer .35% MI
(address unknown)

Ann Fox .35% MI
(address unknown)

7. Approval of this application will not impair the correlative rights of any owner in this pool and will prevent waste of hydrocarbons by encouraging further development of the pool.

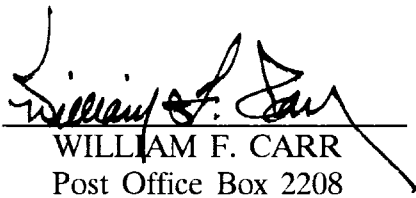
8. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests in the N/2 NW/4 of Section 17 should be pooled and applicant should be designated the operator of the well.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on August 8, 1990, and that after notice and hearing as required by law, the Division enter its order amending Order No. R-9168 to pool the N/2 NW/4 of Section 17, and further requests that the Division's

Order include provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk factor for the risk assumed by Applicant in drilling, completing and equipping the well, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 
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ATTORNEYS FOR NEARBURG
PRODUCING COMPANY