

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. 10033
ORDER NO. R-9168-A

APPLICATION OF NEARBURG PRODUCING
COMPANY FOR AMENDMENT OF DIVISION
ORDER NO. R-9168, LEA COUNTY, NEW
MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 8, 1989 and September 5, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 19th day of October, 1990, 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 to amend Division Order No. R-9168, issued in Case No. 9909 and dated May 1, 1990, which authorized the compulsory pooling of all mineral interests in the Northeast Lovington-Pennsylvanian Pool underlying the E/2 NW/4 of Section 17, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico, thereby forming a standard 80-acre oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard oil well location in the NE/4 NW/4 (Unit C) of said Section 17.

(3) The applicant further seeks to extend the date in which the operator must commence drilling the subject well from July 1, 1990 to July 18, 1990.

(4) Pursuant to the testimony presented by the applicant, the ownership throughout the NW/4 of said Section 17 is common; therefore, the interest force-pooled by Order No. R-9168 in the E/2 NW/4 is identical to those in the N/2 NW/4.

(5) The reorientation of the spacing unit would enable the applicant to drill an additional well to offset recent production in the NE/4 of said Section 17.

(6) No interested party to these forced-pooling provisions appeared at the hearing in objection to this application.

(7) Correlative rights will not be violated by the proposed changes.

(8) The above-described amendments should be incorporated in said Order No. R-9168, dated May 1, 1990.

IT IS THEREFORE ORDERED THAT:

(1) Decretory Paragraph No. (1) of Division Order No. R-9168, dated May 1, 1990, being one and the same is hereby amended to read in its entirety as follows:

"(1) All mineral interests, whatever they may be, in the Northeast Lovington-Pennsylvanian Pool, underlying the N/2 NW/4 of Section 17, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby pooled to form a standard 80-acre oil spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard oil well location in the NE/4 NW/4 (Unit C) of said Section 17.

PROVIDED HOWEVER THAT, the operator of said unit shall commence the drilling of said well on or before the 18th day of July, 1990, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Northeast Lovington-Pennsylvanian Pool.

PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the 18th day of July, 1990, Decretory Paragraph No. (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER THAT, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Decretory Paragraph No. (1) of this order should not be rescinded."

(2) The above-described amendment shall be made effective back to the date of the original Order No. R-9168 which is May 1, 1990.

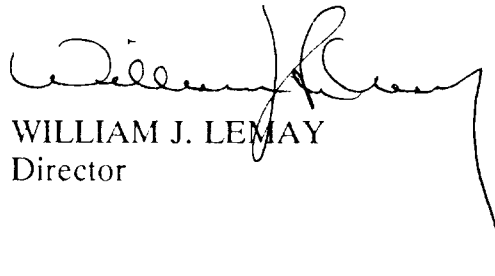
(3) All other provisions of said Order No. R-9168 shall remain in full force and effect until further notice.

(4) 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