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November 6, 1990

10166

HAND-DELIVERED

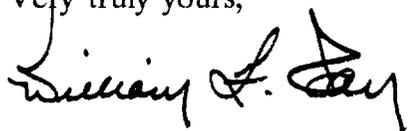
William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Nearburg Producing Company for
Directional Drilling and an Unorthodox Location, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is an application of Nearburg Producing Company in the above-referenced case. Nearburg Producing Company respectfully requests that this matter be placed on the docket for the November 28, 1990 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosure: Mr. Mark K. Nearburg
Nearburg Producing Company
401 E. Illinois, Suite 300
Midland, Texas 79701

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

IN THE MATTER OF THE APPLICATION
OF NEARBURG PRODUCING COMPANY
FOR DIRECTIONAL DRILLING AND
AN UNORTHODOX LOCATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 10166

APPLICATION

NEARBURG PRODUCING COMPANY, through its undersigned attorneys, hereby makes application pursuant to Oil Conservation Division Rule 111 to directionally drill its Western State 17-F Well No. 1 to an unorthodox bottomhole location in the Northeast Lovington Pennsylvanian Pool, and in support of this application states:

1. Applicant is the operator of the Northeast Lovington Pennsylvanian Pool, underlying the S/2 NW/4 of Section 17, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico.
2. Applicant proposes to drill its Western State 17-F Well No. 1 at a standard surface location 2130 feet from the North and West lines of said Section 17 to an unorthodox bottomhole location within 50 feet of a point 2300 feet from the West line and 1980 feet from the North line of said Section 17 to test the Strawn formation, Northeast Lovington Pennsylvanian Pool.
3. Applicant proposes to dedicate to this well a standard 80-acre spacing unit described in Paragraph No. 1 of this application.

4. The subject well must be directionally drilled to enable the applicant to produce the reserves which underlie the above-described proration unit.

5. Approval of this Application will enable the Applicant to produce hydrocarbons that otherwise would not be produced and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on November 28, 1990, after that notice and hearing as required by law and the rules of the Division, that the Division enter its Order granting this application.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 

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ATTORNEYS FOR NEARBURG
PRODUCING COMPANY