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February 12, 1991

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

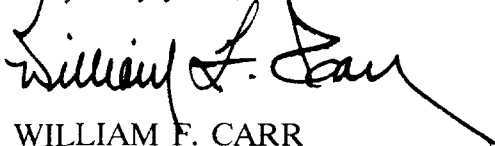
1558

Re: In the Matter of the ~~Amended~~ Application of Nearburg Producing Company
for Compulsory Pooling, 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 March 7, 1991 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

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OIL CONSERVATION DIV.
SANTA FE

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 COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 10258

APPLICATION

COMES NOW NEARBURG PRODUCING COMPANY, by its undersigned attorneys, pursuant to the provisions of N.M.Stat.Ann. § 70-2-17, (1978), hereby makes application for an order pooling all of the mineral interests in all formations developed on 320-acre spacing from the surface to the base of the Morrow formation in and under the N/2 of Section 23, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns approximately 50% of the working interest in and under the N/2 of Section 23, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be located at a standard location on this spacing unit to be drilled to a depth of approximately 13,600 feet to test the Morrow formation.
3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the N/2 of said Section 23, except for the following interest owners:

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OIL CONSERVATION DIV.
SANTA FE

Read & Stevens, Inc.
Post Office Box 1518
Roswell, New Mexico 88201

Anadarko Petroleum Corporation
Post Office Box 2997
Midland, Texas 79702

Mobil Producing Texas
and New Mexico, Inc.
12450 Greenspoint Drive
Houston, Texas 77060

Union Oil Company of California
Post Office Box 3100
Midland, Texas 79702

Texaco Inc.
Post Office Box 2100
Denver, Colorado 80201

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.


5. 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 should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on March 7, 1991, and, that after notice and hearing as required by law, the Division enter its order pooling the lands, including 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 assumed by the Applicant in drilling,

completing and equipping the well, and making such other and further provisions as may be proper.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR NEARBURG
PRODUCING COMPANY

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

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2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be located at a standard location on this spacing unit to be drilled to a depth of approximately 13,600 feet to test the Morrow formation.
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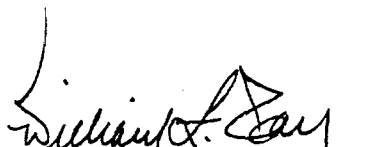
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completing and equipping the well, and making such other and further provisions as may be proper.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By:

A handwritten signature in black ink, appearing to read "William F. Carr", written over a horizontal line.

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR NEARBURG
PRODUCING COMPANY