

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
ANNIE-LAURIE COOGAN

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

January 15, 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

RECEIVED

JAN 15 1991

OIL CONSERVATION DIV.
SANTA FE

Case 16227

Re: In the Matter of the Amended Application of Nearburg Producing Company
for Compulsory Pooling, Eddy 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 February 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

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,
EDDY COUNTY, NEW MEXICO.

RECEIVED

JAN 15 1991

CASE NO. 10229

OIL CONSERVATION DIV.
SANTA FE

APPLICATION

CCMES 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 in and under the N/2 of Section 29, Township 18 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

1. Applicant owns approximately 72% of the working interest in and under the N/2 of Section 29, and Applicant has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to a well located at a standard location 660 feet from the North line and 1980 feet from the West line of said Section 29, sufficient to test the Morrow formation.
3. Applicant has sought and obtained either voluntary agreement for development of this spacing unit from all other interest owners in the N/2 of said Section 29, except for Yates Petroleum Corporation, Yates Drilling Corporation, John A. Yates, Martin Yates Estate and Lillie M. Yates, 105 South Fourth Street, Artesia, New Mexico

88210, who together own approximately 28% of the working interest under this tract.

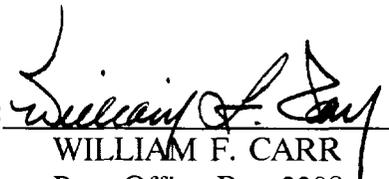
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

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 February 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