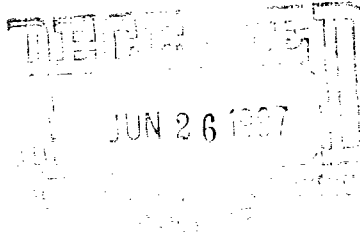


CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS
MARTE D. LIGHTSTONE



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

*Cur No.
9/172*

June 24, 1987

Bill Lemay, Chairman
New Mexico Oil Conservation Division
New Mexico State Land Office Bldg.
Santa Fe, New Mexico 87501

Re: Application of Nearburg Producing Company for an
Unorthodox Well Location, Lea County, New Mexico

Dear Mr. Lemay:

Enclosed please find the Application of Nearburg Producing Company for an unorthodox well location, Lea County, New Mexico. On behalf of Nearburg Producing Company we request that this Application be set for hearing before the Division on July 15, 1987.

Very truly yours,

J. Scott Hall
J. Scott Hall

JSH/dmg
encl.
cc: Mark Nearburg

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

IN THE MATTER OF NEARBURG PRODUCING
COMPANY FOR AN UNORTHODOX WELL LOCATION
LEA COUNTY, NEW MEXICO

Case 9172

APPLICATION

Nearburg Producing Company by and through its undersigned attorneys makes application to the Oil Conservation Division for an unorthodox well location and in support thereof states:

1. Applicant is the owner of the Strawn Formation underlying the S/2 SE/4 of Section 12, Township 17 South Range 37 East, N.M.P.M. and proposes to drill its Wright No. 2 Well at a location 760 feet FEL and 1200 feet FSL of said Section 12.

2. Applicant seeks an exception to the well location requirements of Rule 104(C)II(A) of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test the Strawn Formation.

3. A standard 80 acre gas proration unit comprising the S/2 SE/4 of said Section 12 should be dedicated to the well.

4. Approval of this Application will afford applicant the opportunity to produce its just and equitable share of gas in the Strawn Formation 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 July 15, 1987, that notice be given as required by law and the rules of the Division, that the Division enter its order approving the application, and providing such other and further relief as is proper.

Respectfully submitted:

CAMPBELL & BLACK

By



J. Scott Hall
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421

Attorneys for Nearburg Producing
Company

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

June 30, 1987

Campbell & Black, P.A.
P.O. Box 2208
Santa Fe, NM 87504

Attention: Mr. J. Scott Hall

RE: Division Case No. 9172:
Application of Nearburg
Producing Company for an
Unrothodox Oil Well Location

Dear Mr. Hall:

The subject case is scheduled for hearing on July 15, 1987, however, since the location of the well differs from your letter dated June 24, 1987 with the information given me over the telephone by William F. Carr on June 22, 1987, this case will need to be readvertised for the hearing scheduled for July 29, 1987.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael E. Stogner".

Michael E. Stogner
Engineer

MES/ag

cc: William F. Carr
Mark Nearburg

Called in by Bill Carr
6/22/87

Memo

From

FLORENE DAVIDSON
OC Staff Specialist

To

July 15, 1987

Nearburg Producing Company
Unorthodox Well Location
Lea County

Wright #2

1200/S + 660/E

12-175-37E

Humble City - Strawn
Strawn formation
S/2 SE/4