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Care 95/3

October 4, 1988

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 an Unorthodox Oil Well Location, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed is the 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 Examiner hearings scheduled on October 26, 1988.

Very truly yours,

J. SCOTT HALL

JSH:mlh Enclosures

cc w/enclosures: Mr. Mark K. Nearburg

Nearburg Producing Company

BEFORE THE

OIL CONSERVATION DIVISION

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NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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

case no. 95/3

APPLICATION

COMES NOW NEARBURG PRODUCING COMPANY, by and through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order approving an unorthodox oil well location, and in support thereof would show the Division:

- 1. Applicant seeks to re-enter the Texas International E. M. Byers #1 Well, located 660 feet from the South line and 660 feet from the West line of Section 12, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico and proposes to sidetrack the hole at 7,000 feet and drill the well to a bottomhole location 990 feet from the West line and 330 feet from the South line of said Section 12.
- 2. If the proposed re-entry is unsuccessful, Applicant seeks approval of an unorthodox oil well location with a surface and bottomhole location 990 feet from the West line and 330 feet from the South line of said Section 12.
- 3. A standard 80-acre oil spacing and proration unit comprised of the S/2 SW/4 of said Section 12 should be dedicated to the well.

4. Applicant seeks an exception to the well location requirements of Oil Conservation Division Rule 104 to permit the drilling of the well at the above described unorthodox location to a depth sufficient to adequately test the Strawn formation, Humble City South (Strawn) Pool.

5. That approval of this application will afford applicant the opportunity to produce its just and equitable share of the 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 prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on October 26, 1988, and that after notice and hearing as required by law, the Division enter its order granting this application and providing such other and further relief as is proper in the premises.

Respectfully submitted,
CAMPBELL & BLACK, P.A.

Rv.

WILLIAM F. CARR J. SCOTT HALL

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ATTORNEYS FOR NEARBURG PRODUCING COMPANY