

(6) All of said Section 36 is "State lands". Although both the SE/4 and NE/4 of said Section 36 are two separate leases, the applicant controls 100 percent of the leasehold on both tracts.

(7) No other interested party appeared at the hearing in opposition to this application.

(8) Approval of this application will afford the applicant the opportunity to produce its just and equitable share of the oil in the Shipp-Strawn Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

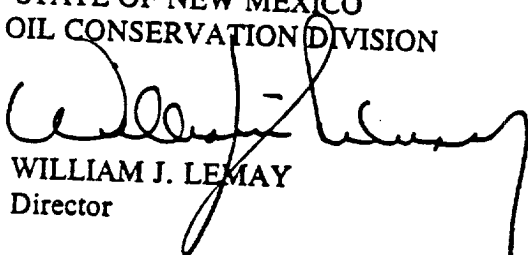
(1) The application of Nearburg Producing Company, L.L.C. for an unorthodox oil well location to be drilled 2310 feet from the South line and 660 feet from the East line (Unit I) of Section 36, Township 16 South, Range 37 East, NMPM, to test the Shipp-Strawn Pool, Lea County, New Mexico, is hereby approved.

(2) The N/2 SE/4 of said Section 36 shall be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool.

(3) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

SEAL

