



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

July 3, 1997

Nearburg Producing Company  
c/o James Bruce  
P. O. Box 1056  
Santa Fe, New Mexico 87504

*Administrative Order NSL-3824*

Dear Mr. Bruce:

Reference is made to your application dated July 1, 1997 on behalf of the operator Nearburg Producing Company for an unorthodox Morrow gas well location for its proposed Bison "12" Federal Well No. 1 to be drilled 660 feet from the North line and 1650 feet from the West line (Unit C) of Section 12, Township 19 South, Range 33 East, NMPM, Undesignated North Quail Ridge-Morrow Gas Pool, Lea County, New Mexico.

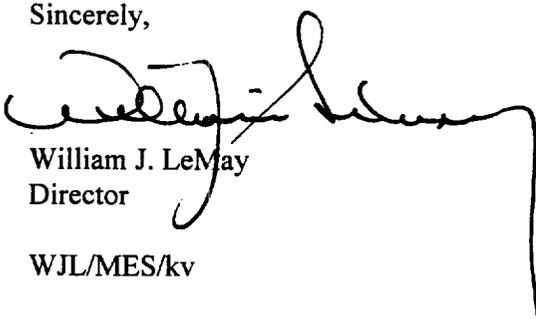
The W/2 of said Section 12 being a standard 320-acre gas spacing and proration unit for said pool is to be dedicated to said well.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Morrow formation than a well drilled at a location considered to be standard.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

  
William J. LeMay  
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
U. S. Bureau of Land Management - Carlsbad