

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF NEARBURG EXPLORATION  
COMPANY, L.L.C. FOR A NON-STANDARD OIL  
SPACING AND PRORATION UNIT, UNORTHODOX  
OIL WELL LOCATIONS, AND COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.**

**Case No. 14,787**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Nearburg Exploration Company, L.L.C.  
Building 2, Suite 120  
3300 North A Street  
Midland, Texas 79705

Attention: Russell Wickman  
(432) 686-8235

**APPLICANT'S ATTORNEY**

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

**OPPONENT**

**OPPONENT'S ATTORNEY**

**STATEMENT OF THE CASE**

**APPLICANT**

Applicant seeks an order approving a non-standard oil spacing and proration unit in the Devonian formation comprised of the W/2NW/4 of Section 8, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico, approving unorthodox oil well locations in the Strawn and Devonian formations, and pooling all mineral interests in the Devonian formation underlying the non-standard unit. Applicant proposes to drill the Midway 8 State Well No. 1 at an unorthodox location 925 feet from the north line and 1644 feet from the west line of Section 8, to a depth sufficient to test the Strawn formation, and will dedicate the NE/4NW/4 of Section 8 to the well in the Strawn formation. In the event the well does not result in commercial Strawn production, applicant plans to directionally drill the well to an unorthodox bottom hole location

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approximately 1139 feet from the north line and 1195 feet from the west line of Section 8 to test the Devonian formation (Midway-Devonian Pool). Applicant requests that a non-standard spacing and proration unit comprised of the W/2NW/4 of Section 8 be dedicated to the well, to be re-named the Midway 8 State Com. Well No. 1, and pooling all mineral interest owners in the Devonian formation underlying the W/2NW/4 of Section 8. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Russell Wickman (landman)	15 min.	Approx. 5
_____ (geologist)	10 min.	Approx. 4
_____ (engineer)	20 min.	Approx. 5

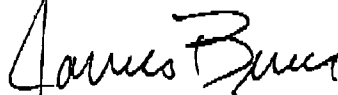
OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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**PROCEDURAL MATTERS**

-None-

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Nearburg Exploration  
Company, L.L.C.