



**MONTGOMERY
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2012 MAY 16 P 2:36

May 15, 2012

Ms. Jami Bailey, Director
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87501

Hand-Delivered

Re: NMOCD Case No. 14836: Application of Nearburg Producing Company for Designation of a Non-Standard Oil Spacing and Proration Unit, an Unorthodox Surface Location, and Compulsory Pooling, Eddy County, New Mexico

Dear Ms. Bailey:

On behalf of Nearburg Producing Company, enclosed for filing is an original and one copy of a Pre-Hearing Statement in the above-referenced case.

Very truly yours,

Karen Williams
Assistant to J. Scott Hall

:kw
Enclosures

374962

REPLY TO:

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

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2012 MAY 16 P 2: 36

IN THE MATTER OF THE APPLICATION OF
NEARBURG PRODUCING COMPANY FOR
DESIGNATION OF A NON-STANDARD OIL
SPACING AND PRORATION UNIT, AN
UNORTHODOX SURFACE LOCATION AND
COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO

CASE NO. 14836

PRE-HEARING STATEMENT

Nearburg Producing Company ("Nearburg") provides this Amended Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

Nearburg Producing Company
3300 North "A" Street
Building 2, Suite 120
Midland, TX 79705

APPLICANT'S ATTORNEY

J. Scott Hall
Montgomery & Andrews
P.O. Box 2307
Santa Fe, NM 87504-2307
(505) 982-3873

OPPOSING PARTY

Mewbourne Oil Company

OPPOSING PARTY'S ATTORNEY

Adam Rankin, Esq.
Holland & Hart
P.O. Box 2208
Santa Fe, NM 87504-2208
(505) 983-6043

STATEMENT OF THE CASE

APPLICANT

Nearburg seeks an order consolidated each of the 40-acre spacing units within the S/2 SW/4 & the SW/4 SE/4 of Section 34, Township 19 South, Range 25 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit in the Glorieta-Yeso formation, North Seven Rivers-Yeso Pool (97565), for Nearburg's horizontal drilling project area; and Pooling all interests in the Glorieta-Yeso formation underlying the S/2 SW/4 & the SW/4 SE/4 of Section 34.

The proposed non-standard unit will be dedicated to its Irami 34 MO Fed Com No. 1-H Well to be drilled horizontally from an unorthodox surface location 330' from the South line and 10' from the West line, to a standard bottom hole location 330' from the South line and 1650' from the East line of Section 34, Township 19 South, Range 25 East to a depth sufficient to test the Glorieta-Yeso formation underlying the proposed project area.

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Russell Wickman, Landman ✓	20 min.	6
Tim Speer, Petroleum Engineer	20 min.	6
Bill Elton, Geologist ✓	20 min.	6

OPPONENT

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

None.

MONTGOMERY & ANDREWS, P.A.

By: J. Scott Hall
J. Scott Hall, Esq.
Post Office Box 2307
Santa Fe, New Mexico 87504
(505) 982-3873
Attorneys for Nearburg Producing Company

Certificate of Service

I hereby certify that on May 16, 2012, a true and correct copy of the foregoing was delivered to the following parties by electronic mail:

Adam Rankin, Esq.
Holland & Hart
P.O. Box 2208
Santa Fe, NM 87504-2208
agrarkin@hollandhart.com
Attorney for Mewbourne Oil Co.

J. Scott Hall
J. Scott Hall