

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
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, LLC  
FOR A NON-STANDARD SPACING AND  
PRORATION UNIT AND COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.**

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**CASE NO. 14940**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Nearburg Exploration Company, LLC (“Nearburg”) as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Nearburg Exploration Company, LLC  
3300 North "A" Street  
Building 2, Suite 120  
Midland, Texas 79705

**ATTORNEY**

Michael H. Feldewert  
Adam G. Rankin  
Holland & Hart, LLP  
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Santa Fe, New Mexico 87504-2208  
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**STATEMENT OF THE CASE**

Nearburg Exploration Company, LLC (“Nearburg”) seeks an order (1) creating a non-standard 160-acre spacing and proration unit comprised of the E/2 W/2 of Section 23, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests for all producing reservoirs in the Bone Spring formation underlying this acreage.

Nearburg proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed Laguna 23 Fed Com No. 1H well, to be horizontally drilled from a surface location 330 feet from the South line and 1980 feet from the West line (Unit N) to a bottom hole location 330 feet from the North line and 1980 feet from the West line (Unit C) of Section 23. The completed interval for this well will be at a standard location as required by the rules.

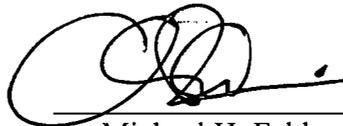
**APPLICANT'S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Terrence Gant or Ken Dixon, Petroleum Landman	Approx. 20 mins.	Approx. 5
Bill Elton, Petroleum Geologist	Approx. 20 mins.	Approx. 5

**PROCEDURAL MATTERS**

Respectfully submitted,

HOLLAND & HART, LLP



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**ATTORNEYS FOR  
NEARBURG EXPLORATION COMPANY, LLC**