

(3)

**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 COMPULSORY
POOLING AND AN UNORTHODOX GAS WELL
LOCATION, LEA COUNTY, NEW MEXICO.**

Case No. 14,549

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

APPLICANT'S ATTORNEY

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

Attention: Russell Wickman
(432) 686-8235

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Permian Penn formation underlying the N/2NE/4 of Section 12, Township 12 South, Range 32 East, NMPM, and in the following manner: The N/2NE/4 to form a standard 80-acre oil spacing and proration unit for all pools or formations developed on 80-acre spacing within that vertical extent; and the NW/4NE/4 to form a standard 40-acre oil spacing and proration unit for all pools or formations developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the Rocking 12 Well No. 1, to be drilled at an orthodox location in the NW/4NE/4 of Section 12. 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

WITNESSES

EST. TIME

EXHIBITS

Russell Wickman

15 min.

Approx. 5

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE SUBMITTED BY
AFFIDAVIT.

OPPONENT

WITNESSES

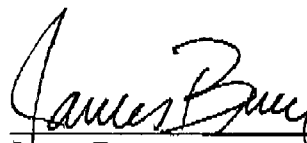
EST. TIME

EXHIBITS

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.