

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 PURPOSES OF CONSIDERING:

CASE NO. 11358

APPLICATION OF NEARBURG EXPLORATION COMPANY
TO TERMINATE SALT WATER DISPOSAL INTO CERTAIN
INJECTION WELLS BY RESCINDING NMOCD PERMIT SWD-336
AND BY RESCINDING ORDER R-7637 FOR ANADARKO
PETROLEUM CORPORATION'S OSAGE WELL NO. 1
EDDY COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

COMES NOW, Nearburg Exploration Company, by and through its attorneys, Turner & Davis, and files its Pre-Hearing Statement for the referenced case.

1. Nearburg will call the following witnesses:

- (a) Tim MacDonald will testify regarding the damage to existing oil and gas production caused by the injection of water into the salt water disposal wells which are the subject matter of this case. Mr. MacDonald's testimony will be from the oil and gas engineering prospective.
- (b) Jerry Elger will testify regarding the geologic aspects of the injection of water by the salt water disposal wells which are the subject of this hearing.
- (c) Bob Shelton will testify regarding the land and ownership aspects of this case.

2. Our case-in-chief will be to demonstrate that damage has occurred and continues to occur to productive formations as a result of the water that is being injected into the salt water disposal wells which are the subject of this case.

Respectfully submitted,

TURNER & DAVIS

A Professional Corporation
400 West Illinois, Suite 1400
Post Office Box 2796
Midland, Texas 79702-2796
(915) 687-0011
(915) 687-1735 (Fax)

By: J. Randy Turner
State Bar No. 4009

ATTORNEYS FOR NEARBURG
EXPLORATION COMPANY

I hereby certify that I caused to be
mailed a true and correct copy of
the foregoing to all counsel of record
in Case No. 11358 this day of
August, 1995.

J. Randy Turner